**MID-TERM REVIEW OF IMPLEMENTATION PROGRESS OF**

**PEMPAL STRATEGY 2012-17**

**FINAL REPORT**

**OCTOBER 30, 2015**

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# Executive Summary

This document presents the final report of the mid-term review (MTR) on implementation progress of the Public Expenditure Management Peer Assisted Learning (PEMPAL) Program Strategy 2012-2017. The report was prepared by the World Bank team involved in the PEMPAL program on the request of the PEMPAL Steering Committee and was the main subject of discussions of the PEMPAL Executive at a face-to-face meeting held on July 16-17, 2015. Decisions made by the Executive at that meeting are also reflected in the report.

The MTR concluded that the original objectives of the PEMPAL Strategy remain valid and that PEMPAL is making good progress towards achieving them. Mechanisms developed by PEMPAL to target PFM priorities of member governments are working well. 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 signalled by the seniority and depth of participation as well as growing in-kind and financial contributions to the program by the member countries.

The MTR also highlighted a number of areas where the program delivery mechanism could be strengthened, drawing on the analysis of PEMPAL performance to date, the accumulated experience of PEMPAL membership and specific suggestions made by the donor partners. All stakeholders stress the importance of investing more effort into documenting success stories at the country level to assure that information on program impact is fully captured. Collaboration between the COPs on cross-cutting themes of joint interest needs further improvement. COPs also need to communicate the strategic underpinning of their action plans and the progress of activities more effectively to donor partners. Greater efforts also need to be invested in raising awareness of senior government officials and political leadership of the benefits and value of PEMPAL membership and participation.

While PEMPAL intends to maintain the high quality of learning and strength of country engagement for the remainder of the Strategy period, through to June 2017, the program faces some organizational challenges. The institution providing Secretariat services has not renewed its contract. Thus, the World Bank assumed Secretariat responsibilities on an interim basis from July 2015 to June 2017 pending a decision on the longer-term arrangements.

Further, despite generous donor contributions assuring stable program funding throughout the Strategy period, the main risk highlighted by the review is related to sustainability of the network beyond this period. It was therefore decided to concentrate efforts on preparing for fund raising in support of the future new strategy and investigating options for membership contributions. In that context, a promotional brochure on PEMPAL results targeting an external audience will be prepared. The market of potential donors will also be explored and contacts established with a view to securing financial support for the future period.

The agreed approach to addressing the sustainability risk requires clarification of strategic vision on the longer-term future of PEMPAL. It was decided that the vision for the next strategy 2017-2022 should be formulated by June 2016 and endorsed at the next year’s Executive meeting. In the next strategy, values of professionalism and equal access opportunities will be endorsed. The new strategy will also include a clearer definition of network services and knowledge products and will acknowledge the public good benefits of the network including positive regional impacts. The results framework for the next strategy will also be simplified – less actions and less performance indicators – to facilitate monitoring and reporting and be supported by a communication strategy.

The PEMPAL Executive, which included current donors and 20 member country representatives from 13 ECA countries, were appreciative of the analysis provided by the MTR which enabled them to effectively review and prioritize detailed proposals for improvement of the PEMPAL delivery mechanism within their July 2015 meeting (which resulted in the final agreed Table 1 at the end of this report). An Addendum to the current strategy, comprising specific amendments and areas of increased focus for the remaining strategy period, was also agreed and posted on the PEMPAL public website. It was decided that a full revision of the Strategy was not required and that this addendum was sufficient to reflect the decisions made and the specific impact they had on the strategy.

# Introduction

**This document presents the final report of the mid-term review (MTR) of implementation progress of the PEMPAL Strategy 2012-2017.** It was prepared by the World Bank team involved in the PEMPAL[[1]](#footnote-2) program on the request of the PEMPAL Steering Committee and was the main subject of discussions of the PEMPAL Executive at a face-to-face meeting held on July 16-17, 2015.

**The purpose of the mid-term review (MTR) was to analyze the progress in implementing PEMPAL Strategy launched in 2012 to determine whether the program objectives remained achievable within the original timeframe under the existing resource constraints**. Based on the analysis, the MTR has led to adjustments to the Strategy, the results framework and implementation mechanisms, where needed. In addition to its immediate objectives, the mid-term review also laid the basis for follow up deliberations by the Steering Committee on the future of PEMPAL beyond the current strategy period.

**The process and methodology used for the review were approved by the PEMPAL Steering Committee in November 2014 as part of the MTR concept note**. The period covered is from July 2012 to December 2014. The sources of information included:

* written submissions on the progress against the key actions and indicators included in the strategy’s results framework by each of the three Communities of Practice (COP) operating under PEMPAL: Budget (BCOP), Treasury (TCOP), and Internal Audit (IACOP);
* written responses to a predetermined set of questions by the main donor partners supporting the program (the Ministry of Finance of the Russian Federation and the Swiss State Secretariat for Economic Affairs (SECO);
* administrative and performance data provided by the PEMPAL Secretariat;
* feedback from members collected through an electronic survey distributed specifically to obtain PEMPAL member input to the review;
* database of results of PEMPAL post event surveys distributed after major events during the period under review (45 such surveys in total, database maintained by the Secretariat);
* available program reports and storage platforms (eg. PEMPAL website, COP wikis).

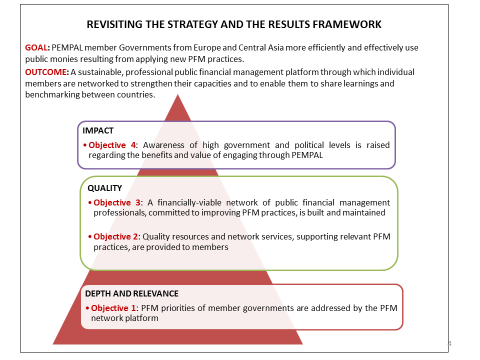
**This final report provides a summary of the results of the review**, **including an analysis of progress against the 15 key actions and 35 performance indicators included in the Strategy’s results framework**. PEMPAL performance information related to the strategy period has been included at *Attachment 1,* including PEMPAL Key Statistics (Table 1); results of member surveys (Table 2*),* overview of PEMPAL finances (Table 3); PEMPAL program spending (Table 4); and a schedule of international events held in 2014 (Table 5). An overview of results of assessing progress against each action and performance indicator in the strategy’s results framework, including status of delivery, and assessment of impact of identified risk factors is provided at *Attachment 2*. Detailed analysis against the performance indicators is presented at *Attachment 3*. *Attachment 4* provides supporting evidence of achieving the goal/impact and outcome levels of the strategy, including: success stories which were collected by COPs and included in their formal review submissions; donors’ views on successes of PEMPAL taken from their formal reports to the review; and member views on the quality of PEMPAL knowledge products and services and how they have been used taken from responses to the MTR member survey.

**The main sources of information used for the analysis are collated in a separate Information Annex.** This contains the documents outlined below. Reports in *Attachment 1* were provided by current donors to the program and submissions in *Attachment 2* were provided by the COPs. *Attachment 3* provides the Secretariat’s current PEMPAL Marketing and Communication Plan, as required under one of the actions of the strategy. *Attachments 4* to *8*, were provided by the Secretariat and reflect assessments of administrative data, as required to determine progress in several areas of the strategy. *Attachment 9* provides the MTR survey result reports, provided on a COP specific and network basis. *Attachment 10*, provides the summary of discussions recently held between BCOP and CABRI, a network similar to PEMPAL operating in Africa.

* Attachment 1: Views of Current Donors a) MoF of the Russian Federation b) SECO
* Attachment 2: Submissions to the Review by Communities of Practice: a) BCOP b)TCOP c) IACOP
* Attachment 3: Marketing and Communication Plan
* Attachment 4: Changes to the Operational Guidelines
* Attachment 5: In-Kind Contributions and Self-Payers
* Attachment 6: Value for Money Indicators
* Attachment 7: Number of Steering Committee meetings and Key Decisions Made
* Attachment 8: Compliance of COPs with Budget Management Guidelines
* Attachment 9: Results of MTR Survey of Members a) PEMPAL b)BCOP c)TCOP d)IACOP
* Attachment 10: Summary Report on Discussions on Peer Learning Approaches with CABRI

# 2. Program Background

**The Public Expenditure Management Peer Assisted Learning (PEMPAL), launched in 2006, is a regional program supporting a network of public finance professionals from Europe and Central Asia (ECA) countries.** The target groups for membership are government officials from the Ministries of Finance or other related central ministries or agencies that are responsible for government budget planning, preparation, execution, monitoring and coordination/harmonization of the internal audit function. PEMPAL activities are driven by three thematic communities of practice (COPs) focusing on budget, treasury and internal audit issues (Budget COP, Treasury COP, Internal Audit COP)

 Source: *MTR PEMPAL Strategy 2012-2017*, Slide 4, presentation July 16 2015, Cross-COP Executive Meeting available at <http://www.pempal.org/event/eventitem/read/144/400>

**The high level goal of the PEMPAL Strategy 2012-17 is a more efficient and effective use of public monies by the governments of member ECA countries resulting from application of new PFM practices**. The intended outcome of the strategy is a sustainable, professional public financial management platform through which individual members are networked to strengthen their capacities and to enable them to share learnings and benchmarking between countries.[[2]](#footnote-3) To achieve this outcome, 15 key actions under the following four output objectives are currently under delivery:

1. PFM priorities of member governments are addressed by the PFM network platform.
2. Quality resources and network services, supporting relevant PFM practices, are provided to members.
3. A financially-viable network of public financial management professionals, committed to improving PFM practices in the Europe and Central Asia region, is built and maintained.
4. Awareness of high government and political levels is raised regarding the benefits and value of engaging through PEMPAL

**PEMPAL’s governance structure** **is presented in the organizational chart 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 under a service contract issued by the World Bank. During the period covered by the review secretariat services were contracted out to the Slovenian Center of Excellence in Finance (CEF).

**PEMPAL Organizational Chart**



**Activities included in the member driven action plans of the three COPs present the core of PEMPAL operations.** These action plans are developed and managed by the COP Executive Committees with the assistance of their Resource Teams and the Secretariat, in accordance with approved Budget Management Guidelines. The action plans are reviewed and approved by the Steering Committee. Information on all the activities is publicly available at the program web site ([www.pempal.org](http://www.pempal.org)), including all event materials, knowledge products developed, and minutes of executive meetings. A virtual library has also been established at [www.pempal.org/library](http://www.pempal.org/library). A performance measurement framework is in place. This comprises post event surveys and quarterly and annual reporting by the Secretariat to the Steering Committee on key performance indicators supplemented by periodic in-depth evaluations.

**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**. At the time of approval, the total cost of the Strategy was estimated at USD 10.5 million. The current cost estimate for the Strategy is USD 10.65 million. Cumulative contributions provided by the donors to PEMPAL MDTF over the period of FY13- 15 totaled USD 10.1 million, including USD 5 million provided by SECO and USD 5.1 million provided by the Russian MoF. Generous supplementary contributions pledged by both donors after the Strategy launch and savings from the previous period allowed to close the financing gap of USD 3.3 million estimated at Strategy approval.

# 3. Key Findings on Implementation Progress

**This section summarizes implementation progress.** A more detailed analysis is provided in *Attachment 2* (overview)and *Attachment 3* (analysis by individual indicator). The presentation follows the Strategy’s structure.

**3.1. GOAL / IMPACT - PEMPAL member Governments from Europe and Central Asia more efficiently and effectively use public monies resulting from applying new PFM practices.** [[3]](#footnote-4)

***Notwithstanding methodological challenges of measuring the impact of the strategy, PEMPAL has had a visible impact at the member country level.*** ***Success stories are the main instrument for demonstrating program impact. A more systematic approach to documenting such stories is needed.***

**COP submissions include many examples of improved PFM practices that are fully or partially attributable to PEMPAL.** Such examples at a country level were identified in a range of thematic areas, including: budget transparency, legislation strengthening, wage bill management, management of EU funds, accounting and financial reporting, IT systems, treasury controls, training and certification, internal audit policies, manuals and guidelines (refer tables at the end of this section, as well as *Attachment 4* for collation of success stories taken from COP submissions, the full text of those submissions can be found in *Attachment 2a, 2b*, and *2c* ofthe *Information Annex*).

* + Concrete examples were provided by 6 countries from BCOP activities and 10 countries from TCOP. IACOP provided its evidence from responses to a recent internal COP survey which asked countries to estimate the impact of IACOP on reforms resulting in 12 out of 18 member countries indicating significant impact (above 75% recorded by 9 member countries) to high impact (between 45-75% recorded by 3 member countries) with a further 5 indicating moderate impact (between 15-45%). Only one country indicated low impact.[[4]](#footnote-5)
* Relating these improvements back to PFM assessments was more difficult with only two countries from BCOP (Russian Federation and Kyrgyz Republic) and IACOP (Armenia and Kyrgyz Republic) and seven countries from TCOP (Azerbaijan, Georgia, Albania, Russian Federation, Kazakhstan, Kyrgyz Republic and Kazakhstan), providing a list of indicators that PEMPAL has impacted. However, caution was expressed as to attributing improvements in such indicators, given many factors impact on a country’s PFM system. [[5]](#footnote-6)

**Some encouraging evidence is also available from the post-event surveys and the MTR member survey** (refer *Attachment 4*), although quality of feedback is limited by format and functionality of the survey instrument. Some examples are provided below.

*Republic of Croatia regularly monitors improvements and reforms as well as specific examples of good practice in the field of public finance. PEMPAL has been used for 1) improving performance indicators, evaluation and monitoring of results 2) establishing a quality system of internal financial controls in the treasury (revision of the existing control points and introduction of new ones); 3) the practices of member countries of the salary working group and some information will be used for the establishment of continuous monitoring and analysis of expenditures for employees as mandatory due diligence at all levels of government;4) in the field of planning, execution and accounting of income and expenses from the EU funds (pre-accession and structural Funds and other EU instruments) from Slovenia were obtained significant inputs that are used partly and fully in these processes. (BCOP)*

*Knowledge and practices obtained in framework of PEMPAL are successfully used in developing of PFM methodology in the Russian Federation. Best practices are taken into account when we make changes to the regulatory framework of the RF budgetary system, as well as when we make introduction of the new technologies. The acquired knowledge is also reflected in publications of the Federal Treasury - on completion of the plenary meetings we develop relevant booklets, adopt experience is reflected in the publication of staff of the Federal Treasury in periodical media. (TCOP)*

*The risk assessment has been improved thanks to IACOP, as well as the quality assurance of internal audit, especially internal ongoing assessment that is implemented in practice in my Unit.*

*We used the experience of colleagues from Bulgaria for strategic and annual planning based on risk assessment; filling out audit documents, using of sampling techniques. (IACOP)*

**MTR survey results also suggest that there may be further opportunities to facilitate members translating learnings into changed practices in the work environment[[6]](#footnote-7)** (*Attachments 9b, 9c and 9d,* Information Annex)**.** Although scores were positive, scores were lower (3.9-4.2 out of 5) when assessing if that learning had changed their practice or enabled them to work better in their work environment; or whether it changed the way their organization thinks about an area of work. However around a third of survey respondents reported that they have designed, recommended or implemented PFM reforms using the experiences of fellow COP members or from knowledge gained from the COP.[[7]](#footnote-8) Further over half in TCOP and IACOP and over two-thirds in BCOP indicated they were likely to in the future.

**The factor that constrains the impact analysis is the lack of readily available PFM performance indicators for the member countries that are easily measurable, comprehensive and produced regularly**. The coverage of available PFM performance assessments based on PEFA methodology across PEMPAL member countries is not comprehensive and periodic nature of those assessments limits their use for PEMPAL purposes. Not all countries participate in other international assessments on selected PFM dimensions such as the Open Budget Index, although such assessments have been promoted through PEMPAL (eg. at the Moscow 2014 meeting on fiscal transparency and accountability).

**Despite these constraints, there are high participation levels in pre-event thematic surveys conducted by PEMPAL that informally ascertain the status of reforms under discussion**. These surveys are used regularly by both BCOP and TCOP. For example, BCOP recently conducted a survey on budget literacy, which included questions on accessibility of budget documentation (taken from OBI survey), and 14 of the 15 member countries participating responded to the survey. Some COPs also periodically undertake their own reviews of the impact of COP activities on PFM reforms, as evidenced by IACOP’s 2011 and 2014 surveys, and TCOP’s 2015 survey.

**Taking into account the existing methodology challenges, success stories remain the main instrument for demonstrating program impact, so it is important to have a systematic approach to collecting and documenting them**. The experience of IACOP internal group tasked to collect such stories is something the other two COPs might want to look into. Experience accumulated through production of the 2011 Success Story brochure by the Secretariat, could also be built on (<http://www.pempal.org/success-stories/>).

**EXAMPLES OF IMPACT OF PEMPAL: BUDGET COP**

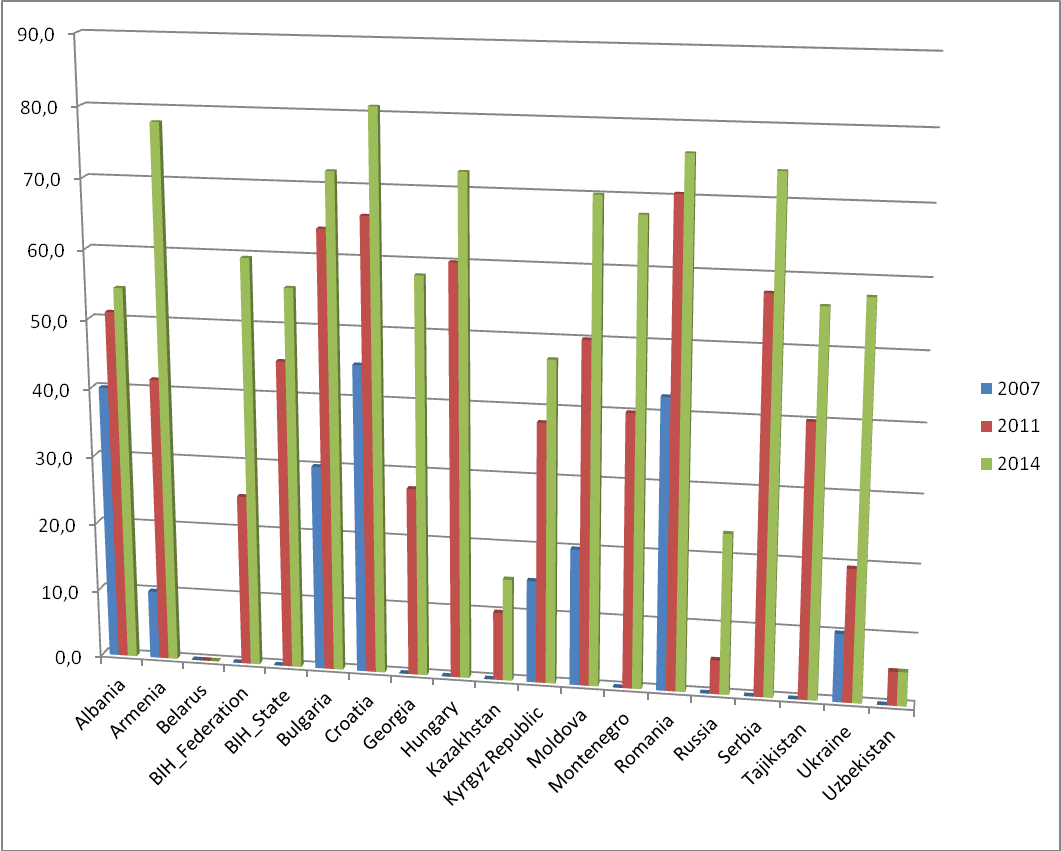
|  |  |
| --- | --- |
| **PFM topic addressed** | **Examples of Type of Impact** |
| **Program budgeting** | Input to Republic Uzbekistan’s Concept of Budget Policy Main Directions and Development. Examples of sector indicators assisted MoFs in providing advice to line ministries. Country case studies assisted to inform approaches. |
| **IT systems in budget planning** | Six countries examined Georgia system in depth and used procedures to progress their IT projects. |
| **Wage bill management** | Working group examined five countries in-depth. Forecast model developed by resource team available to countries as tool to help determine impact of policy options. |
| **Budget transparency** | International guidelines on budget transparency translated into PEMPAL languages - Kyrgyz Republic making eight key budget documents available to public; Russia Federation targeting OBI improvements. Procedures gained from South Africa study visit being used as model for reforms (eg induction manuals for senior officials being used by Albania, and Public Finance Management Act being used by Kyrgyz Republic). |
| **Spending reviews** | BCOP Executive Committee examined Ireland approach to spending reviews to help formulate approaches in their countries for formal, periodic review processes. |
| **PEFA** | PEFA Secretariat explained proposed changes. BCOP countries have better understanding of tool, particularly countries who have not yet used it. |
| **OECD survey** | 13 participating countries have better understanding of what is good practice in budget procedures and international trends through participation in explanatory workshops, benchmarking against 33 OECD countries, and input to final report. |

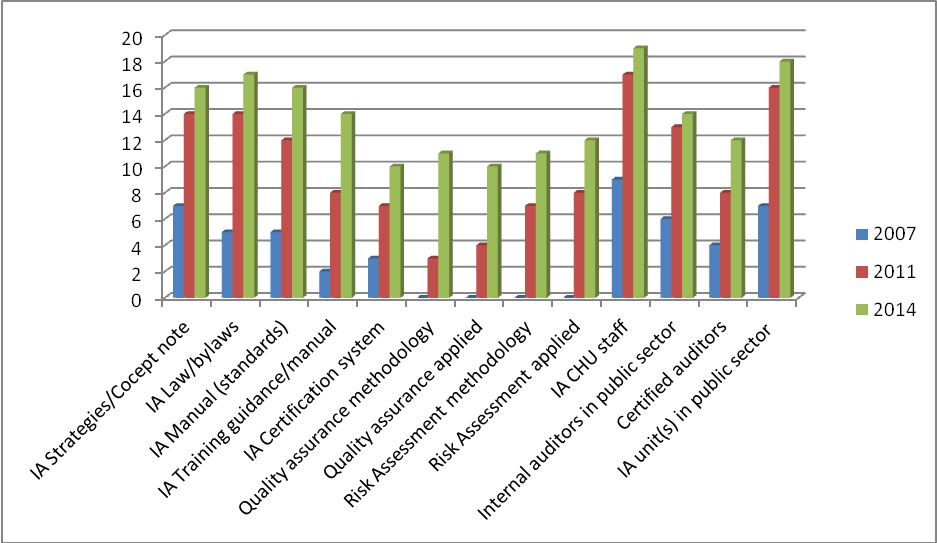
**EXAMPLES OF IMPACT OF PEMPAL: TREASURY COP**

|  |  |
| --- | --- |
| **PFM topic addressed** | **Examples of Type of Impact** |
| **Public Sector Accounting and Financial Reporting** | Development and revision of normative acts eg Albania’s procedures of closing accounting period; VAT; e-payments and customs automation.  Financial reporting consolidation elements implemented by Azerbaijan based on Russia and Kazakhstan experiences shared through TCOP. Moldova designed new budget classification and Chart of Accounts (CoA) in compliance with international standards using knowledge obtained in TCOP.  Kazakhstan has amended fiscal legislation and implemented improvements using experience of other countries in several areas, including accounting of external loans (Georgia’s experience), reflecting the sum of investments in the separate and consolidated financial statements (Estonia’s experience), using electronic invoices (Azerbaijan’s experience), accounting of concession in implementing the IPSAS 32 (UK experience).  Ukraine used peer assistance in the process of development of the new Chart of Accounts.  Russian Federation considered best practices presented in TCOP to assist in fiscal legislation amendment process (Budget Code and instructions on regulating methodology of accounting and reporting in public sector). |
| **Use of Information Technologies** | Georgia and Russian Federation case studies were used by Azerbaijan to implement portal solutions in treasury information system.  Belarus used peer advice through TCOP when developing the concept for modernization of FMIS.  Tajikistan used knowledge gained through TCOP in designing and implementing new FMIS.  Albania used TCOP to progress reforms that resulted in normative acts to support payment of taxes through automated treasury IT system, and establishing e-taxation. Albania also introduced treasury system software to record multi-year commitments. |
| **Treasury Controls** | Georgia moved to integration of PFM operations in single system, resulting in integration of local levels of budget in the FMIS, with resulting legal acts and regulations coming into force 2015. |
| **Cash management** | Moldova used TCOP knowledge to improve cash management approaches and develop proposed new Law on Public Finance and Fiscal Responsibility. |

**EXAMPLES OF IMPACT OF PEMPAL: INTERNAL AUDIT COP**

**Internal Audit COP (IACOP) conducts surveys of member countries to assess the progress made in internal audit reforms and role of IACOP, with impact assessed as significant (above 75%) in nine countries,[[8]](#footnote-9) high (45-75%) in three countries (Bulgaria, Georgia and Kyrgyz Republic), moderate in five countries (15-45%),[[9]](#footnote-10) and low (under 15%) in only one country, Belarus** (refer chart below). The second chart identifies the areas of work IACOP have focused on and the associated changes on a county basis (ie number of IACOP member countries that have adopted reforms being addressed by IACOP). The survey results demonstrate significant progress made by majority of IACOP countries with major impact of IACOP, through its ongoing support for establishing new internal audit functions since 2007, and related policy, legislative and procedural framework establishment and strengthening in member countries.





* 1. **OUTCOME: A sustainable, professional public financial management platform through which individual members are networked to strengthen their capacities and enable them to share learnings and benchmarking between countries**[[10]](#footnote-11)

***Good progress is observed at the outcome level of the Strategy with strong evidence of new and improved knowledge in PFM practices[[11]](#footnote-12), and continuing and rising high levels of satisfaction of individual members with the opportunities for knowledge sharing and learning provided by the network. Sustainability beyond the current Strategy period is a matter of concern and approaches to mitigating the associated risks in several dimensions (quality, secretariat support, financing) require attention during the final years of Strategy implementation. Donor partners have particularly urged to put more emphasis on financial viability and raising awareness of senior management and political levels of the benefits of involvement in PEMPAL.***

**Quotes and letters of support from senior managers of PFM institutions provided by the COPs indicate that they believe PEMPAL is contributing to improved skills, knowledge and professionalism in PFM practices in their countries**. Some examples taken from *Attachment 4* are provided below*.* This support is essential to the sustainability of the network to ensure such officials continue to approve participation of their staff.

**Mr. Maxim Ermolovich**, **First** **Deputy Minister of Finance of the Republic of Belarus**, opened the October 2014 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. Roman Artyukhin**, **the Head of Treasury of Russian Federation**, is heavily 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. ”*

**Gelardina Prodani***,* **Secretary General (Head) of Ministry of Finance of Albania***,* former Chair of the BCOP Executive Committee for two years and current Deputy Chair: *“Discussing common public finance issues with my peers has been a tremendous benefit to me both professionally and personally.  It helps my work to identify and share good practices not only from BCOP member countries, but OECD and other Ministries of Finance from around the world”.* (Quote collected for purpose of BCOP promotional video script used at 2014 Cross-COP meeting).

Source: COP Submissions *Attachment 2, Information Annex*, excerpts reproduced in *Attachment 4*.

**Satisfaction ratings from PEMPAL participants, taken from post-event surveys, have remained consistently high throughout the survey period ranging from 4.3 to a maximum of 5.0** **in CY12, CY13 and CY14** (Table 1*, Attachment 1*). These ratings also demonstrate an increase over the last two years as shown in the chart to the right[[12]](#footnote-13) taken from Table 2, *Attachment 1.[[13]](#footnote-14)* Forty five such surveys have been sent to members during the strategy period and year to date to April 2015, with similar numbers issued by each COP (13 to 15 in total each).[[14]](#footnote-15)

**Feedback from post event surveys remains positive and shows improvement over the review period in most categories** (Table 3, *Attachment 1*). Participants appreciate learning from their peers and discussions are increasingly aligned with knowledge levels. Although the results from events addressing relevant issues remained relatively constant at above 4.5/5.0, there was a significant increase in ratings of the applicability of knowledge to daily work (refer charts on the right).[[15]](#footnote-16) This finding is supported by the results of the MTR member survey in which around a third of survey respondents reported that they have designed, recommended or implemented PFM reforms using the experiences of fellow COP members or from knowledge gained through the COP and many more respondents intended to use this knowledge in the future.

**Responses to the MTR provided examples of value and impact**,[[16]](#footnote-17) although the format and comprehensiveness of responses was limited by the survey approach. Some examples are provided below:

*Experience exchange especially with the neighbor countries helps us to gain considerable knowledge in the field of implementation of the budget in BiH. Although BiH has not fully implemented / introduced program budgeting, the acquired knowledge and experience will greatly help us to be more effective and functional as well as in implementation processes (BCOP EC****)[[17]](#footnote-18)***

*Yes, because these studies are used in the formulation of PFM policies, moreover, these studies help us to look at the problems from different angles. (BCOP)*

*We use the experience of countries on the development of their Citizen Budget projects, as well as the experience of countries participating in the study visit to Ireland on analysis of budget expenditure effectiveness ( BCOP EC)*

*Currently, the Republic of Belarus develops the PFM reform strategy. In this process, we use the materials and the experience of different countries to include the main areas of reform. (TCOP)*

*We increased the coverage of the TSA based on experience in peer countries. Also public nonfinancial assets accounting practices in other countries helped us think better how to deal with issues. (TCOP)*

*I have used materials from PEMPAL to improve the structure of the Unified Chart of Accounts (TCOP)*

Sources: Attachment 4, collated from MTR survey result reports provided at *Attachment 9*, Information Annex.

**MTR survey respondents provided positive feedback about the opportunities provided by PEMPAL.** On average survey respondents rated the following opportunities provided by PEMPAL very positively scoring around 4.4-4.6 out of a maximum of 5 across all COPs: to build relationships with peers in the region; to build a knowledge base in their area of expertise including how the function is managed across different countries; and ability to bring back learning from COP events and share it with their organizations.

**Targeting of PEMPAL products and services towards improved PFM practices could be explored**. This could include improvements in understanding of strengths and weaknesses in each member country[[18]](#footnote-19) through for example, examining national and international assessments and feeding these into network-wide strategic planning processes. This analysis could identify opportunities for cross-COP projects. Expanding network delivery strategies that provide more direct interventions such as case clinics could also be explored (periodically used by TCOP and IACOP but not by BCOP), noting that the use of working group/study visit formats is growing and proving effective in more closely targeting needs already. Approaches used by other networks could also be explored such as the use of peer assessment reviews and CABRI’s learning journals, *Attachment 10,* Information Annex).

**Sustainability of PEMPAL platform beyond the current Strategy period remains a concern.** Although PEMPAL has obviously built strong institutional capacity, with a committed and core membership evident, the network remains largely dependent on external funding and technical resources despite increasing evidence of growing contributions from the members in various forms. Sustainability issues related to ensuring ongoing quality of products and services in the face of significant network growth are also a concern, particular in the context of the need to urgently replace the Secretariat support mechanism. These issues are outlined under Output Objectives 2 and 3, and will need to be addressed during the remaining period of the strategy.

* 1. **Output Level**
     1. ***Output Objective 1 - PFM priorities of member governments are addressed by the PFM network platform.[[19]](#footnote-20)***

***Available evidence suggests that mechanisms developed by PEMPAL to target PFM priorities of member governments are working well. Collaboration between the COPs on cross-cutting themes of joint interest needs further improvement. PEMPAL also needs to communicate the strategic underpinning of the COP action plans and the progress of activities more effectively to donor partners.***

**All COPs have member driven action plans which focus on thematic priorities chosen by the members.** BCOP has focused on improving public expenditure management through program budgeting, fiscal consolidation, effective wage bill management and improvements in budget literacy and transparency. TCOP has focused on public sector accounting and financial reporting, use of information technologies in treasury operations, cash management and treasury controls. IACOP has focused on the establishment of the internal audit function including developing guides of good internal audit practices and clarifying the relationship between internal audit, financial inspection and external audit. It is worth noting that an ECA regional PFM study undertaken by the Bank in 2012 confirmed high relevance of all the topics chosen by PEMPAL COPs for ECA countries.[[20]](#footnote-21)

**Internal consultation processes are in place and used by the COPs to align their action plans with the country priorities.** Both face-to-face consultations and member surveys are used to identify priorities which are then used to prepare action plans. Processes to prioritize activities are common across COPs and consist 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. There is also increasing use of smaller working group formats to better meet the needs of members, with 2, 6, 5 such groups operating in BCOP, TCOP and IACOP respectively. These groups meet regularly to discuss and address specific PFM issues, common to a sub-set of countries. Ten such meetings were held in CY14 up from 5 held in CY12 (Table 1, *Attachment 1*).

**All the activities included in the approved COP plans have been implemented and the Budget Management Guidelines have been followed, as confirmed by the Secretariat.** (*Attachment 8*, Information Annex). Action plans are monitored through regular meetings of the COP Executive Committees and Steering Committees as outlined in meeting minutes[[21]](#footnote-22) and Secretariat quarterly reports on implementation progress to the Steering Committee. Donors offered suggestions for further improvement of the monitoring mechanism, including making the plans more comprehensive and providing more information when presenting plans to the Steering Committee for approval. The Ministry of Finance of the Russian Federation recommends that reports from COPs be introduced to the Steering Committee agendas and should focus on results and core issues of COP activities.

**There are formal and informal mechanisms in operation that promote and facilitate cross-COP exchanges**. The COP Executive meet face-to-face on an annual basis and all members are brought together every 2-3 years. Other formal mechanisms for cross-COP exchange include: quarterly Steering Committee meetings whereby the COP Chairs and/or Deputy Chairs participate; sharing of meeting minutes and action plans; and access to a common library and website where all documents are stored. During the strategy period, there have been three formal cross-COP meetings: Paris (Sept 2012); Bohinj (2013) and Moscow (2014) with the first two involving the COP Executive only, and the last one involving all members. COP members have attended events of other COPs and COPs have provided examples of cross-COP collaboration in their submissions. TCOP representatives have attended two IACOP events and one BCOP event, IACOP representative have also attended several other COP events, and BCOP is exploring with TCOP a possible joint event on government accounting and reporting and has included this event in its FY16 plan.

**Despite these achievements, both donor partners believe that the communication exchange between COPs could be improved in terms of more regular exchanges and identification of synergies** (*Attachment 1,* Information Annex).

* + 1. ***Output Objective 2 - Quality resources and network services, supporting relevant PFM practices, are provided to members.* [[22]](#footnote-23)**

***Solid evidence of high and growing levels of member satisfaction with the quality of resources and services provided by the network indicates very good progress towards achieving Output Objective 2. The challenge is 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.***

**Significant growth in number of events occurred during the strategy period from 2012 to 2014.** 27 COP events[[23]](#footnote-24) were held in 2014, in 13 different international locations (of which 7 were hosted by member countries (Table 3, *Attachment 1*). Some of this growth has been driven by COPs planning back-to-back events (ie holding more than one event in a location, or having sub-events);[[24]](#footnote-25) and the increasing use of video and other technologies which allows more frequent, cost effective contact.

**Participation by individuals from member countries has increased by 65% over the strategy period**. A total of 1,936 participants attended events (by agenda) in the three calendar years since 2012 (Table 1, *Attachment 1*), rising from 505 in 2012 to 831 participants in 2014. The Internal Audit COP increased membership to 23 countries with Hungary and Czech Republic gaining admission during the strategy period. The other COPs remaining at 21 member countries. Membership requests were received from other countries (from MENA region and from Afghanistan), although membership status was not approved given the countries were outside the ECA region and not eligible for funding support. However, participants from these countries have been invited to attend specific events as observers, on a case by case basis.

**There is 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. These comprise a Steering Committee, and three COP Executive Committees (MTR Member Survey Reports, *Attachments 9b, 9c, 9d,* Information Annex). The Executive Committees, comprising 8 to 9 member country representatives for each COP, are responsible for the strategic and operational oversight of COP activities. During the two and a half years under review, Steering Committee held 8 meetings, while COP Executive Committees held 13 (BCOP), 19 (TCOP) and 13 (IACOP) meetings. (CoP Submissions, *Attachment 2, Information Annex*).

**In the COP submissions to the review, the Executive Committees rated the support from technical Resource Teams as highly satisfactory.** Resource teams comprise the core teams that provide the day to day support for event preparation, and the thematic experts, which are engaged depending on the technical needs of the topic under discussion (*Attachment 2,* Information Annex). Other international experts are engaged as speakers or for technical short-term support, depending on the content requirements of the COP action plans. The table above provides data on involvement of international experts and resource team members in the events during the last three calendar years.[[25]](#footnote-26) The drop in the number of experts from CY 2013 to CY 2014, reflects the increased use of working groups whereby the countries are more actively engaged in delivering the agendas, and each group is led by a resource country which provides lead experts.

|  |  |  |  |
| --- | --- | --- | --- |
|  | CY  2012 | CY  2013 | CY  2014 |
| Events | 13/16 | 26 | 27 |
| PEMPAL  Participants | 434/505 | 600 | 831 |
| Resource Teams/International Experts | 125 | 241 | 160 |

**During the strategy period, 28 knowledge products were produced.** Theseproductsinclude informal/formal benchmarking surveys, papers documenting work undertaken, summaries of discussions held, translations of technical documents, and development of tools, guidelines and manuals (as reported in COP submissions, *Attachment 2*, Information Annex). Before the strategy period, only IACOP had a focus on knowledge product production, but other COPs increased focus in response to 2012 external evaluation recommendations. However, the approach to identifying and reporting on knowledge products needs to be strengthened. There is limited information on the use of knowledge products and it depends largely on feedback from member surveys (some qualitative comments provided in *Attachment 4*). As PEMPAL generates more knowledge products, feedback mechanisms will need to be strengthened. With the significant rise in number of events, increasing pressure will also be placed on the new Secretariat mechanism, COPs and resource teams to ensure such knowledge tools and materials are kept up to date. Donors also expressed views that knowledge management will become increasingly important.

**Respondents** **to the MTR survey, indicated they used PEMPAL knowledge products from 1-6 times a year.** However, around one quarter of respondents indicated that they never used country materials.[[26]](#footnote-27) Measurement of usage of the materials stored in the PEMPAL library was impeded by the limitations of the Secretariat’s shared IT platform (within the CEF main platform). With the transfer of the website to the Bank, monitoring the usage of these materials will need to be established in the new platform.

*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*

*"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*

**Materials provided by PEMPAL were rated good quality or high quality by most respondents to the MTR surveys,[[27]](#footnote-28)showing an increase across most material types since the 2012 external evaluation results.[[28]](#footnote-29)** However, there is a room for further quality improvement: some MTR survey respondents expressed concerns about the mixed quality of some material types.20% of IACOP members rated the website and 17% country exchange inputs of mixed quality (in regards to direct usefulness). Similarly in TCOP, 11% rated the website; 13% country exchange inputs, and 9% tools mixed quality; and in BCOP 18% rated the website and 19% country exchange inputs mixed quality. Executive Committees were more positive with only one member (out of 8-9 members) from each Committee viewing materials of mixed quality. From individual event surveys, concerns have been expressed that country case studies can be too general with requests for more technical detail. Some COPs have addressed this concern by providing speakers with presentation templates to ensure the information is more targeted and useful and seeking additional country technical materials and papers in support of presentations. Presentation of information using PowerPoint has its limitations so other mediums could be explored. With regards to the website, efforts are ongoing to ensure the website is maintained although quality of service depends largely on the speed of getting event materials from COPs, resource teams, and presenters.[[29]](#footnote-30)

**Efficiency gains on event related logistics allowed PEMPAL to invest additional resources into event agendas and the generation of knowledge products.** The Secretariat reports that despite a significant increase in total event related expenses channeled through the Secretariat over the review period, the average expenses per event have decreased. From *Table 1*, *Attachment 1* event expenses rose from USD 1.3 million in CY2012 to USD 1.9 million in CY2014. However, average expenses per regular event (excluding resource teams and speakers mobilized by the Bank and other donors) decreased from USD 125,000 to USD 62,000. Net expenses per participant per event also decreased from USD 1,840 to USD 1,579 after an increase in CY2013, while the average number of participants per event decreased from 48 to 43. According to the Secretariat, decreases in average expenses are due to the increased number of events (including less expensive events such as video-conference meetings); and lower costs than expected at some international event locations, combined with more effective negotiation efforts for organizing such events. The structure of event expenses channeled through the secretariat has remained roughly the same over the strategy period, with relative shares of accommodation, travel and translation expenses remaining relatively constant with accommodation, followed by travel as the largest expense items.[[30]](#footnote-31) (PEMPAL 2014 Annual Report). At the same time, expenses for resource teams and knowledge products administered by the Bank have exceeded the initial plans in response to high demand by the COPs for international expertise and a particular emphasis put on development of the knowledge products during the review period **(**refer Table 4 of Attachment 1 for details on program spending**)**.

**There is evidence of growing budget management skills by the Secretariat, and COPs are increasingly becoming involved in budget management.[[31]](#footnote-32)**Budget management has been impacted negatively at times by the need to confirm availability of sufficient donor funding and holding of meetings in different, regional locations where cost structures are not known.[[32]](#footnote-33) However, this has been addressed by the Steering Committee approving revised budgets and strengthening budget management guidelines, and COP Executive Committees becoming more closely involved as evidenced by some COPs utilizing reallocation provisions to better manage their budgets. Negotiation skills of the Secretariat have also improved with the rise in meetings being held in different international locations (13 different locations in both 2014 and again in 2013, and 11 in 2011, refer Table 5*, Attachment 1* for table of locations in 2014). The costs of COP action plans estimated in the Strategy were higher than the actuals for the first two years of implementation, partly because most of the international speakers and resource experts for the events were contracted directly by the World Bank.[[33]](#footnote-34)These savings have been taken into account in the lower COP budget ceiling approved for FY16. (Refer Table 4 of attachment 1 for program spending information).

**Information posted on PEMPAL website remains in high demand with over 50,000 page views in 2013 and 2014, and website visits falling slightly from around 13,200 in 2012, to around 11,500 in 2014**. Over the strategy period, the top ten countries most using the website ranged in usage from 7.5% to 3% of total sessions accessed, in order of highest user: Russia, Ukraine, United States, Moldova, Georgia, Kosovo, Serbia, Kyrgyz Republic, Slovenia (Secretariat), and Bosnia and Herzegovina. 52% of the visits were in English (15,725 sessions), 28% in Russian (8,512 sessions), with the remainder in other languages.[[34]](#footnote-35) Wiki is also used by COPs. The resources allocated to maintenance and update of storage and communication platforms will need to be monitored to ensure they can support continued growth of the network.

**The new contractual arrangement has been effective in improving the quality of secretariat services.** In COP submissions to the review, the Secretariat services were rated **highly satisfactory** by BCOP; and **satisfactory** by TCOP and IACOP. MTR survey respondents also provided positive feedback on the performance of the Secretariat. For BCOP, of those that responded, 77% reported they were highly satisfied with their support with the remaining respondents being satisfied or having no opinion. For TCOP, 79% reported they were highly satisfied, and 13% satisfied. Only one respondent indicated they were not satisfied with no specific details provided. For IACOP, 79% also reported they were highly satisfied, and 14% satisfied, with the remaining respondents indicating that they had no opinion (*Attachment* 9a, 9b, 9c, Information Annex). Post event surveys issued over the review period showed a slight improvement in the rating of the Secretariat’s services (logistical organization, and event administration) CY13 and CY14, with ratings staying consistently above 4.6 out of a maximum of 5.0 (Table 2, *Attachment 1,*taken from the 2014 PEMPAL Annual Report, prepared by the Secretariat). Altogether, these indicators show a significant improvement from results outlined in the 2012 evaluation report.

**Improvement of the quality of secretariat services was accompanied by an increase in associated costs.** Annual expenses for secretariat services almost doubled compared to pre-Strategy period (total costs of Secretariat services for FY11-12 were USD 409,000, while annual costs in FY14-15 averaged around USD 370,000). Supervision of the secretariat contract also required significant time and effort from the Bank team (primarily TTL and Program Operations Adviser, with involvement of other team members on a needs basis). The supervision mechanism included monthly administrative meetings and quarterly progress reviews with minutes from all those meetings available in program archives. The Bank team generally agrees with PEMPAL members’ views on secretariat performance and would like to note in particular good working relationship developed between the Secretariat and the Bank resource team and COP Executive Committees by the last Secretariat Team Leader appointed in January 2014. The issues that required continuous attention and were periodically on the agenda of the administrative meetings, especially during the first year of the period under review, were secretariat staffing (unstable team composition and continuity issues, back up arrangements), quality assurance of translations and various program documents, and some aspects of travel arrangements. Significant Bank team inputs were required throughout the period in the process of preparation of quarterly newsletters, Annual Reports and thank you letters to host Ministers.

**The delivery model of Secretariat services requires immediate attention**. CEF management’s decision not to extend its contract with PEMPAL announced in spring 2015 was unexpected.At the request of the Steering Committee, the World Bank has established interim secretariat arrangements for a transition period initially until the end of CY15 and it was decided at the July 2015 meeting of the PEMPAL Executive that this interim arrangement would continue to the end of the strategy, given it would be difficult to find an alternative for such a short period. The technical resource teams will also be more heavily engaged in administrative tasks, to try and ensure the transition is as smooth as possible. The Steering Committee decided that the market would be investigated in the meantime taking into account the experience of the 2013 tender and concerns about the limited number of suppliers of these specialized services. Alternative arrangements will also be considered such as gauging interest of new donors, existing member countries, or PFM institutes in the region to host the secretariat.

**The challenge in relation to Output Objective 2 for the remainder of the Strategy period is to maintain the high quality of products and services despite the changing conditions, including a new secretariat support mechanism, reduced budget allocations for the COP activities and reduced inputs from external experts.** In line with the approved Strategy, budget resources available for implementation of COP action plans, as well as technical inputs from the external partners will be reduced in the remaining two years of the Strategy period. This is already reflected in the approved program budget for FY16 and projections for FY17 (see table 3 of Attachment 1 for details).

* + 1. ***Output Objective 3 - financially-viable network of public financial management professionals, committed to improving PFM practices in the Europe and Central Asia region, is built and maintained.[[35]](#footnote-36)***

***There is evidence of strong member commitment to the network, high quality of membership as well as increasing provision of in-kind and financial contributions to the program by the member countries, although reporting of such contributions requires further improvement. Generous donor contributions to PEMPAL MDTF assured stable program funding throughout the Strategy period. It was therefore decided to concentrate efforts on preparing for fund raising in support of the future new strategy. Investigations will also be initiated on how to increase financial member contributions as part of the development of the next strategy.***

**Evidence provided by the COPs suggests a strong member-driven network with substantial in-kind contributions being made from member countries.** The COP Executive Committees (comprising on average around 8-9 member countries) commit significant time to providing strategic oversight and management of the COPs as evidenced by the number of meetings held and decisions made, as reported in their meeting minutes (as mentioned under output objective 2 above). Members are active in agenda implementation, preparing country cases and presentations on specific thematic issues.

* 16 BCOP member countries delivered presentations and 12 TCOP member countries delivered presentations (62 in total) during the strategy period. TCOP also provided detailed information on member countries thematic contribution to TCOP events in the annex to their submission (Attachment 2b, Information Annex).
* More events are being held in member countries, including 5 BCOP events, 9 TCOP events and 10 IACOP events during the period under review. Of note are Georgia and Albania who have held meetings for all three COPs during the strategy period; Russian Federation (holding meetings for TCOP, IACOP in addition to the 2014 cross-COP meetings); Turkey (holding TCOP and BCOP meetings); and Montenegro (holding TCOP and IACOP meetings). Such events entails the member country being active in delivering the agenda through provision of presentations and country documents and providing advice to the Secretariat on logistical issues.
* Many of the TCOP and IACOP event agendas allocated significant time to familiarization with relevant experience of the host country which required extensive content preparation (e.g., country days included in the agendas of TCOP events).[[36]](#footnote-37)
* Members (particularly of working groups who meet more regularly),[[37]](#footnote-38) commit their time to meetings and also documenting their practices through benchmarking surveys, development of knowledge products, and presentation of their country case studies. Thirteen BCOP member countries have also participated in the resource intensive OECD budget practices and procedures survey (comprising around 100 questions) which documented budget practices and compared them against OECD country practices. Member countries from BCOP and TCOP also regularly participate in COP pre-event thematic surveys (usually prepared by the resource teams) to ascertain reform progress and to facilitate benchmarking and networking.
* MTR survey results reveal that members make contact outside of formal PEMPAL arranged events, particularly in IACOP, largely for sharing information and discussing event preparation and PFM reforms (Refer *Attachment 2*, Action 11 for more information). Growth is also evident for BCOP and TCOP, when compared to 2012 evaluation results.

**There are also multiple instances where member countries cover part of the costs of the events that they are hosting and there is evidence that the trend is increasing over time.** Secretariat data shows over 25 instances where hosting countries sponsored dinners, lunches and social activities (Source: Spreadsheet prepared by Secretariat of in-kind contributions and self-payers, *Attachment 5, Information Annex*).

**Countries are also actively sending additional participants to the events at their expense.** There were 78 additional people (4% of total participation)[[38]](#footnote-39) funded by member countries to attend events during the period assessed. The trend is increasing since CY 2012, with 8 participants only being funded in that year, rising to 42 in CY 2013, but dropping to 28 in CY 2014 (*Attachment* 5, Information Annex). No such information was collected before the strategy period. Most of these self-payers came from the Russian Federation who funded 29 people (largely TCOP), Kyrgyz Republic funded 19 (largely BCOP), and Tajikistan funded 12 people (TCOP). Belarus and Georgia also funded five people each (TCOP), Turkey three (TCOP and BCOP) and Kazakhstan (TCOP) and Montenegro (BCOP) two people each. Most of these were to attend TCOP meetings (52 self-payers or 67% of total) followed by BCOP (19 self-payers (24%) with only four self-payers reported for IACOP events.

**PEMPAL guidelines require ‘High Income Countries’ to actively contribute (financial or in-kind) for their participation in PEMPAL activities.** Currently there are three such countries in the network, Croatia, Russia Federation, and Czech Republic (IACOP member only).[[39]](#footnote-40) However, there are no formal procedures and the records of member contributions kept by the Secretariat are inadequate. The tables provided were collated specifically on request (*Attachment 5, Information Annex*). The contribution procedures need to be standardized across COPs.[[40]](#footnote-41) One practice that is common across COPs to encourage in-kind contributions is the issuing of extra-quota invitations to countries who provide speakers to present country case (ie. above the normal two invitations per country allowed in current membership policies) (*Attachment 2*, Information Annex).

**Core committed membership is evident from membership analyses undertaken for the purposes of the review.**[[41]](#footnote-42) Members (those who attended two or more events during the strategy period) are comprised of a significant proportion of senior officials being defined as Heads, Deputy Heads, Directors of the functional areas relevant to each COP. For BCOP, 75% are from senior levels from Ministries of Finance, with two members from political levels. For TCOP 69% are from senior levels from Ministries of Finance or Treasuries, with 3 Ministers, 6 Deputy Ministers and 8 Heads of Treasury attending events during the period. For IACOP, 80% are from senior levels, heads of internal audit related units within central coordinating finance/treasury agencies. Although all membership is from central coordinating finance/treasury agencies, there is some membership from line ministries in IACOP (refer to *Attachment 3*, Output Objective 3, Indicator 4 for more information). Target membership is defined by the COP Executive Committees, although the Steering Committee must approve any new country members.[[42]](#footnote-43) Membership analyses are only conducted periodically and membership data and reporting processes could be standardized and strengthened, although significant improvement is evident in how membership is defined and monitored since reported as a weakness in most COPs in 2012 evaluation results. Details for each COP are provided below:

* **For BCOP, there are 61 core members from 21 countries in the ECA region**. Eighteen of the 21 eligible countries have had active participation, with Kazakhstan, Ukraine and Bulgaria being the least active members (although Ukraine participated in a type B study visit in 2014)[[43]](#footnote-44). The most active participation largely comes from the 8 countries represented in the Executive Committee: Albania (8 members), Croatia and Kyrgyz Republic (6 members each), Armenia and Belarus (5 members each), and Russian Federation and BiH (4 members each) driven partly by these countries being allowed to nominate three participants from their country to attend major events as part of the membership policy to recognize their significant in-kind contribution to the network.[[44]](#footnote-45) Also representation from Kyrgyz Republic is driven by participation of self-payers (Kyrgyz Republic sent 15 people as self-payers to BCOP events during the strategy period), and Albania hosted a plenary meeting, which opens participation to more people.
* **For TCOP, there are 119 core members, from 21 countries in the ECA region**. The membership base is being largely driven by significant numbers of self-payers. Nineteen of the eligible 21 countries have had active participation, with Kosovo and Romania[[45]](#footnote-46) being the least active members with no members attending more than one event in the time period, followed by Serbia and Armenia with only one member each. The most active participation has come from Belarus (13 members), Russian Federation (11), Tajikistan (10) and Georgia (10). These additional members are driven by countries funding additional attendance (self-payers), countries hosting events and thus being able to send additional participants, and also additional places being offered to countries represented in the Executive Committee, as part of TCOP’s membership policy.
* **For IACOP, there are 65 core members, from 23 countries**, **with some members being from line-ministries.** Additional members, above those of the other COPs, are Hungary and Czech Republic, who were approved by the Steering Committee during the strategy period. Countries of Turkey, Belarus, Kosovo and Macedonia have only one member (who have attended two or more events over the strategy period). The most active participants come from Albania, Georgia, Kyrgyz Republic, Moldova and Ukraine all with five members each, followed by Uzbekistan and Russian Federation with 4 members each (with most of these represented in the Executive Committee except for Albania and Uzbekistan, reflecting similar membership policy as being applied to the other COPs).

**Despite a core membership existing, available survey data suggests more** **new** **members are participating, which provides a challenge for ensuring previous knowledge is shared.** The chart below shows Secretariat data for new membership across the network (*Attachment 1, Table 2* taken from 2014 Annual Report). TCOP appears to have the least number of first time visitors, estimated at 7.7% in 2013-14, although this has almost doubled in YTD figures for 2014-15 to 14.1%. BCOP had significant first time visitors in 2013-14 with over 41% with that falling to 31% the following year. IACOP has remained relatively constant over the two years, with new participants each year of around 25%.[[46]](#footnote-47) The number of new participants could be driven somewhat by the fact that more member countries are holding meetings within their countries and are thus able to send additional participants who would normally not attend given membership policies. Countries sending additional participants as self-payers could also affect these figures.

**Induction processes to manage new members differ between COPs**. BCOP develops a list of links to results of previous discussions, by thematic topic, which is circulated annually at the plenary meeting of all members. This listing is primarily aimed at new members as well as providing an update to all members of activities throughout the year. IACOP has an enabling group that is tasked with ensuring stories are captured and shared with new members. TCOP depended on wiki to capture and share information, although new tools are currently under investigation. The new Secretariat could be tasked, in collaboration with the COP resource teams, of developing an induction kit to be distributed to new members. This kit could provide a promotional brochure on PEMPAL and links to further information on thematic topics across all COPs. There could also be a specific link under the website and new members could be instructed to review the link, to ensure they have knowledge of relevant products and services that have been delivered in the past and those currently available.

**As envisaged under one of the actions related to Output Objective 3, the Secretariat has developed a revised marketing and communication plan[[47]](#footnote-48)** (copy of plan provided separately at *Attachment 3*, Information Annex). Branding of products and services has improved. So too has reporting on results. However, the plan needs to be revised in light of the range of products and services and additional professional collaborations that have been identified by the COPs. Further clarification of the types of products and services being delivered would also benefit future promotional efforts. In SECO’s view, PEMPAL lacks a targeted communication and marketing plan to promote the program to donors and professional associations. Even with such a plan in place, SECO believes that the focus should not only be on acquiring more donor financing but also on how to address the potential of member contributions in order to become more independent.

**The donors emphasized the importance of disseminating the results of PEMPAL widely and ensuring the reporting is concise and with the right focus**. Although there is a lot of information on the website and in the annual report, the Ministry of Finance of the Russian Federation recommends that reporting be streamlined and should focus on issues/problems and solutions, outcomes and impacts outside of PEMPAL.

‘*We should remember that PEMPAL was created to help strengthen finance management, fiscal transparency, and accountability in a region and this is a core priority of our collective work’*.

SECO advises that it is often difficult to understand from the reports on individual activities the benefits of these activities for members as outcome statements are often very general, for example discussions were informative and helpful. SECO recommends that a specific section on the achievements in each COP be added to the annual report. It is also unclear how COPs are dealing with results of individual meetings and how these are used to define the COPs agenda. From examining Annual Reports and quarterly newsletters, it is evident that reporting has been significantly improved over the last two years by the Secretariat with the introduction of a more results focus, and it was working on further streamlining the different reporting outputs during 2015. However this has not been implemented owing to the termination of their contract in June 2015. Thus, the resource teams (who provide COP specific inputs to these reports) and the new Secretariat mechanism, will need to consider these recommendations.

**SECO** **has asked for regular information on the scope and nature of financial and in-kind contributions by other donors and members**.[[48]](#footnote-49) This would allow a more comprehensive picture of the resources available from the network and such information should be included in regular reporting. An ideal solution in their view, is for members to cover travel and accommodation expenditures, while donors provide funds for the organization of the events (room renting, catering, translations, technical experts) as well as the Secretariat. A strategy possibly showing different scenarios of how to introduce and determine membership contributions (e.g. different membership fees corresponding to the level of economic development of each member, gradual introduction of membership fees, etc.) should be elaborated and presented and discussed with members. According to SECO, such a strategy should also take into account that some of the beneficiaries are EU members, a fact which should in their view be reflected in different financial arrangements for their participation. With the prospects of more PEMPAL members becoming EU members in the future, SECO sees this as particularly important (Source: SECO’s report to the review, *Attachment 1b*, *Information Annex*).

**The Ministry of Finance of the Russian Federation suggests that attracting additional funds from members, or attracting new donors, can be a decision from the MTR**. Cost-sharing can also be considered. The Ministry of Finance of the Russian Federation recommends that the main topic to discuss within the framework of financing is the possibility of member-country contributions, including the intentions of members on this issue and it sees the need to understand what concrete steps can be done on this issue (Source: Ministry of Finance of the Russian Federation’s report to the review, *Attachment 1a, Information Annex*).

**Results from the MTR member survey indicate that around one third of members would be willing to pay membership fees.** In the 2012 external evaluation senior officials indicated that PEMPAL may need to be constituted as a separate legal entity and enter into international agreements if countries are to contribute formal subscription fees. (Refer *Attachment 3*, Indicator 8, Output Objective 3 for more information). CABRI took this path and reported that such international agreements were expensive and time consuming, involving the navigation of individual member country legislative frameworks. (Refer *Attachment 10*, Information Annex).

**These issues were considered by the PEMPAL Executive in its July 2015 meeting and it was decided that arrangements will be put in place to encourage more delegates that are funded by member countries** with those countries already making significant contributions to be acknowledged in the PEMPAL Annual Reports. The Executive welcomed the fact that there was no need to seek additional funding for the final years of the current strategy but there was a need to concentrate efforts on preparing for fund raising in support of the next strategy. It was also agreed that the public good benefits of the network including positive regional impacts should be acknowledged in the next strategy.

* + 1. ***Output Objective 4 - Awareness of high government and political levels is raised regarding the benefits and value of engaging through PEMPAL***

***For Output Objective 4[[49]](#footnote-50) there is convincing evidence of increased awareness of high government and political levels of the benefits and value of engaging through PEMPAL, however donor partners see the need for investing additional efforts into this objective. Thus, the Executive agreed that World Bank annual meetings will be used to further raise awareness at senior management and political levels of the benefits of involvement in PEMPAL.***

**In the majority of cases when events are hosted by the member countries, senior leadership of the Ministry of Finance and the Treasury (in case of TCOP) attends opening sessions of the events.** This provides an opportunity for political leadership to get familiar with PEMPAL. Over the strategy period, 14 out of the potential 21-23 member countries hosted meetings[[50]](#footnote-51) exposing their senior officials to how PEMPAL operates.

**The number of Ministers and Deputy Ministers and other high level officials attending or opening events has increased** (refer *Attachment 4*). For example:

* The Minister of Finance, Anton Siluanov and the Minister for Open Government Mihail Abyzov of the Russian Federation opened the 2014 Cross-COP meeting in Moscow and stayed for the first session.
* First Deputy Minister of Finance of Armenia Pavel Safarian attended plenary meeting in Slovenia and OECD SBO in the Hague;
* First Deputy Minister of Finance of Belarus Maxim Yermolovich participated in the study visit on the UK reforms in financing public education;
* Former Minister of Finance of Kyrgyz Republic, Olga Lavrova participated in the study visit to Austria on the parliamentary role in budgeting,
* Two Assistant Ministers from Serbia and Bosnia and Herzegovina attended the Study Visit to Slovenia, and
* the Chief State Treasurer of Croatia Miljenko Fiçor attended BCOP plenary meeting and provided the following positive feedback in a recent thank you letter:

‘*Although the costs of organizing such events are very high, especially when joint plenary meetings of all three Communities are organized, our opinion is that such exchange of experience, with topics that are of interest for all participant countries, is invaluable, and that they should continue in the future as well, in spite of certain difficulties*.’

* For TCOP 3 Ministers, 6 Deputy Ministers and 8 Treasury Heads attended events during the strategy period. 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

* IACOP reported that several Ministers and Deputy Ministers of Finance have shown their support for PEMPAL through the statements made during the opening sessions for IACOP meeting.

Lukáš Wagenknecht, First Deputy of Minister of Finance, Czech Republic “*I just returned from PEMPAL Internal Audit Community of Practice conference in Astana and want to express my admiration for making it such a worthwhile experience. I was pleased to hear about the positive feedback from organizers and participants on the value we have managed to provide to the IA COP during the meeting. The working groups were relevant and very helpful to our reform agenda. I especially liked the level of proficiency and engagement of all participants.*”

Sources of Quotes: COP Submissions Attachment 2, Information Annex, excerpts reproduced in Attachment 4.

**In line with the Steering Committee decision, a revised approach to marketing at senior leadership levels has been implemented.** Distribution of the Annual Report is accompanied by customized thank you letters addressed to the Minister of Finance of each member country and providing a summary of all activities and participants related to that specific country.

**Notwithstanding the progress achieved under objective 4, donor partners see a need for investing additional efforts into this objective.** According to SECO, it is not clear to what extent letters and reports draw higher level management attention to the PEMPAL initiative. Thus possible additional instruments for achieving this objective were discussed during the July 2015 MTR meeting. Discussions concluded that there is plenty of evidence to demonstrate good progress on raising awareness and the World Bank team advised that it was a conscience decision to focus on awareness rather than involvement of political levels. However, donors indicated they would still like an exchange at political levels under PEMPAL at least once a year as it would be beneficial. Thus it was agreed that PEMPAL will aim to have a special event for political levels whether during the next World Bank/IMF spring meeting or annual meeting.

# 4. Conclusions and Recommendations

* **The original objectives of PEMPAL Strategy remain valid and PEMPAL is making very good progress towards achieving them**. The Executive therefore identified no need for changes in the formulation of the Strategy objectives.
* **The main risk highlighted by the review is related to sustainability of the network beyond the current Strategy period**. Several dimensions of sustainability (quality, secretariat support, financing) require attention during the final years of the Strategy implementation. Donor partners have particularly urged to put more emphasis on financial viability and raising awareness at senior management and political levels of the benefits of involvement in PEMPAL.
* **The agreed approach to addressing the sustainability risk requires clarification of strategic vision on the longer-term future of PEMPAL**. It was decided that the vision for the next strategy should be formulated by June 2016 and endorsed at the next year’s Executive meeting. In the next strategy, values of professionalism and equal access opportunities should be endorsed. The new strategy should also include a clearer definition of network services and knowledge products. The results framework for the next strategy should be simplified – less actions and less performance indicators – to facilitate monitoring and reporting. A communication plan should also be developed as part of the next strategy.
* **The Executive welcomed the fact that there is no need to seek additional funding for the final years of the current Strategy given generous supplementary contributions provided by the existing donors**. It was therefore decided to concentrate efforts on preparing for fund raising in support of the future new strategy. In that context, it was agreed to prepare a promotional brochure on PEMPAL results targeting an external audience. The market of potential donors should also be explored and contacts established with a view to securing financial support for the future period. Investigations will also be initiated on how to increase financial member contributions as part of the development of the next strategy, including putting in place arrangements to encourage member countries to finance more delegates to participate in PEMPAL events.
* **World Bank annual meetings will be used to further raise awareness at senior management and political level of the benefits of involvement in PEMPAL**. Ministry of Finance of the Russian Federation also offered to promote PEMPAL at G20.
* **It was concluded that the current implementation arrangements are working well**. The unexpected decision of the former Secretariat not to extend the contract with PEMPAL past June 2015 required the emergency change in Secretariat mechanism. The Steering Committee considered the options for future delivery of secretariat services in a later meeting and decided the most feasible option was to keep the interim secretariat mechanism recently established within the World Bank until the end of the current Strategy period (June 2017), while investigating the market as part of the next strategy preparation.
* **Several decisions were also made related to specific actions within the existing Strategy.**  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).  The event List of Participants template and post event surveys will be amended to better capture instances whereby members of one COP attend the events of another COP. A more systematic approach to identifying cross-COP projects and to collect information on in-kind and financial member contributions will also be applied before the end of the Strategy period. Those countries making significant in-kind contributions to the network will also be made more visible, eg reporting on these contributions will be included in the PEMPAL Annual Reports.  Arrangements will also be explored that encourage more delegates that are financed by member countries, to participate in PEMPAL events. Any such arrangements will also consider the public good nature of the network, including positive regional benefits.
* **The Executive also decided that strengthening data quality for several indicators will be implemented over the remainder of the strategy period:** number and type of cross-COP exchanges; knowledge products number and type; % of members from targeted functional areas; financial and in-kind member contributions; donor in-kind contributions; and number of Ministers/Deputy Ministers opening or attending events.
* **The Executive also considered the full list of suggested improvement actions identified from the MTR analysis (as included in *Attachment 2*), and identified ten key actions as ‘High Priority’** ie requiring implementation in the remaining years of the current strategy (refer *Table 1* below). Other actions were either removed or classified as either medium to low priority, and will be implemented subject to availability of resourcing and other higher priority actions being implemented first.
* **The Steering Committee decided that an addendum to the strategy should be prepared to reflect the key decisions made by the Executive in its July 2015 MTR meeting.** This addendum was placed on the website next to the current strategy. The addendum also noted that the funding gap existing for the strategy had now been filled. It also noted that estimates of the strategy costing 10.54 million USD have been updated to 10.65 million USD (110,000 USD more) based on actual implementation costs as at July 2015.

# Table 1: Areas of Improvement Prioritized by the PEMPAL Executive

SC – Steering Committee; RT – COP Resource Teams; COP ExCom – COP Executive Committees; PEMPAL Exec – SC and COP ExCom

| **Hierarchy of Strategy Objectives** | **Responsibility** | **Timeframe** |
| --- | --- | --- |
| **Strategy Goal/Impact**: PEMPAL member Governments from Europe and Central Asia more efficiently and effectively use public monies resulting from applying new PFM practices | | |
| 1. A more systematic and standardized approach to collecting success stories will be established in the future. Results will be measured on various dimensions (eg success stories, figures, examples, survey results, ‘value detectives’ method. Benefits will be captured at both the individual and institutional levels including how one leads to the other, if feasible.) | Secretariat  COP ExCom  RTs | High Priority: Process and methodology to be established as part of next strategy |
| **Outcome**: A sustainable, professional public financial management platform through which individual members are networked to strengthen their capacities and enable them to share learnings and benchmarking between countries | | |
| 1. Targeting of PEMPAL products and services towards specific PFM practice will be facilitated. Actions agreed include:    1. continued expansion of more direct network delivery strategies such as working groups, case clinics while ensuring results from working groups are effectively monitored; and    2. investigating approaches used by other networks. | SC | Medium Priority: To be considered as part of next strategy |
| **Output Objective 1**: PFM priorities of member governments are addressed by the PFM network platform. | | |
| 1. COP action plans will be more comprehensively presented to the SC for approval, as recommended by donors.    1. A more systematic approach to identifying cross-COP projects will be applied before the end of the strategy period, Action plans will include envisaged cross-COP activities, projects and exchanges.    2. Government PFM reform priorities will be more formally identified within the plans (through PEMPAL member surveys).    3. A uniform detailed Annual Action Plan for COPs will be designed and adopted. | COP Chairs  Deputy Chairs | High Priority for first action (dot point 1): To be adopted for FY17 plans in 2016. Other actions will be implemented for the next strategy period. |
| 1. SC meetings will be used more effectively for cross-COP exchanges, with COPs playing a more active role (through providing more informative reports as recommended by the Ministry of Finance of the Russian Federation).    1. COPs to submit reports on implementation of adopted Action Plans to the SC. (Updates on progress of implementation of plans to include more comprehensive presentation of results achieved, issues addressed, and work produced). | COP ExCom | High Priority: From Quarter 4, 2015 SC meeting. An item will be added to all future Steering Committee meeting agendas ‘Cross-COP Exchanges’. |
| 1. Recording and reporting of some types of cross-COP exchanges will be strengthened.(ie COP members attending events of other COPs). Post event electronic surveys to include additional category of ‘Other COP member – specify COP’. | RTs  Secretariat | High Priority: Data collection to occur for all future COP meetings and to be included in quarterly reports. |
| **Output Objective 2**: Quality resources and network services, supporting relevant PFM practices, are provided to members | | |
| 1. The types of products and services being delivered by PEMPAL will be identified and clarified (ie more systematic approach to branding PEMPAL knowledge products and services, drawing on experiences of other networks eg CABRI).    1. All knowledge products to include statement regarding permission being required to use reproduce or translate the product. | COP ExCom  RTs | Medium Priority: To be considered as part of next strategy |
| 1. Improve the collection of information about the use of PEMPAL provided or produced knowledge products (including the library once the new platform is finalized).    1. a) Project to be initiated as part of new IT library platform. b) COPs to agree that when developing any new knowledge product, strategies will be put in place to gain feedback on its use | Secretariat  RTs  COPs | Medium Priority: To be addressed as part of next strategy |
| 1. Ensure the quality of knowledge products and resources is maintained through regular updating where feasible.    1. Ensure adequate resources are allocated to the effective monitoring and maintenance of website, wikis and other storage and communication repositories used by PEMPAL. | Secretariat  COP ExCom  RTs | High Priority: Ongoing |
| 1. Periodically assess developing technology solutions for their applicability and usefulness in improving communication, particularly translation tools given the multi-lingual nature of the network. | Secretariat | Low Priority: Given current resourcing constraints and interim Secretariat mechanism. To be incorporated into TOR of new Secretariat mechanism. |
| 1. Clarify the role of observers and strengthen the role of COPs on the Steering Committee in line with recommendations made by donors. | SC  Secretariat | High Priority: October 2015/January 2016 SC meeting |
| 1. Revisit the operational guidelines and other procedures to identify any changes required as a result of donor recommendations and the new Secretariat delivery mechanism being established. | Secretariat  COP ExCom | High Priority: October 2015/January 2016 SC meeting |
| **Output Objective 3**: A financially-viable network of public financial management professionals, committed to improving PFM practices in the Europe and Central Asia region, is built and maintained | | |
| 1. Improve collection and reporting of in-kind and financial member contributions, within agreed templates.    1. A more systematic way to collect this information will be implemented by the Secretariat.    2. Those countries making significant in-kind contributions to the network will be made more visible eg reporting on these contributions will be included in the PEMPAL Annual Report.    3. Arrangements will be put in place to encourage more delegates that are financed by member countries to participate in PEMPAL events. This will be part of investigations to increase member country financial contributions.    4. The market of potential donors will be explored and contacts established with a view to securing financial support for PEMPAL | Secretariat RTs | High Priority: Meeting to be held of COP RTs/COP reps/new Secretariat on collection, and reporting needs with decisions made on types of information to be collected, template for collection, and frequency of reporting.  Potential donors to be identified as part of development of next strategy. |
| 1. Quality of information in the membership database will be improved, particularly on department within an agency, titles of participants and data on previous PEMPAL events  attendance | RTs  Secretariat | Medium Priority: As part of TOR development for new Secretariat, establish process for improving membership database |
| 1. A marketing campaign/strategy to promote PEMPAL will be designed. The marketing and communication plan will be strengthened in light of additional professional associations, products and services identified as part of the review process.    1. A marketing brochure on PEMPAL results will be prepared and aimed at external stakeholders for fund raising, and promoting performance results beyond the strategy period.    2. Standardized approaches will be explored for induction of new members as part of marketing strategy and approach to manage member turnover. Eg development of induction kit. | Secretariat  RTs | High Priority: Marketing brochure and strategy to be developed before end of strategy period. |
| **Output Objective 4:** Awareness of high government and political levels is raised regarding the benefits and value of engaging through PEMPAL | | |
| 1. PEMPAL will aim to have a special event for the political level whether during the World spring meeting or annual meeting. PEMPAL will also explore promoting its agenda under G20 (with the assistance of the Russian Federation MoF), and at the Open Government Partnership. | World Bank  MoF RF  COP ExCom | High Priority – exact timing subject to scheduling of these external meetings. |

# Attachment 1: PEMPAL Key Statistics

**Table 1: PEMPAL at a Glance 2012-2014**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **CY 2014** | **CY 2013** | **CY 2012** |
| Events[[51]](#footnote-52) | 4 Plenary  10 small group meeting  5 study visits | 3 Plenary  9 small group meeting  8 study visits | 8 regular  5 small |
| Videoconferences | 8 | 6 | N/A |
| PEMPAL participants by location | 759 | 433 | 434 |
| PEMPAL participants by agenda[[52]](#footnote-53) | 831 | 600 | 505 |
| Hosting countries[[53]](#footnote-54) | 13 | 13 | 11 |
| Total event expenses | EUR 1,4 million  (USD 1,9 million) | EUR 1,1 million  (USD 1,5 million) | EUR 1,1 million  (USD 1,3 million) |
| Average expenses per regular event (includes speakers, resource and supporting staff) | EUR (47K)  USD (62K)  Av. 43  participants | EUR (70K)  USD (93K)  Av. 44 participants | (EUR 99K)  (USD 125K)  Av. 48  participants |
| Net expenses/participant/event | EUR 1,185  (USD 1,579) | EUR 1,650  (USD 2,195 ) | EUR 1,454  (USD 1,840) |
| Net expenses /participant/day | EUR 550  (USD 760) | EUR 666  (USD 891) | EUR 365  (USD 464) |
| Gross expenses/participant/event | EUR 1,719  (USD 2,290) | EUR 2,585  (USD 3,429) | EUR 2,449  (USD 3,098) |
| Overall satisfaction w/events | 4.6 – 5.0 / 5.0 | 4.3 – 5.0 / 5.0 | 4.6-5.0/5.0 |
| Appreciate learning from peers | 4.1 – 4.8 / 5.0 | 4.0 – 4.6 / 5.0 | 4.2-4.4/5.0 |
| Knowledge level appropriate | 4.2 – 4.9 / 5.0 | 4.2 – 4.8 / 5.0 | 4.5-4.8/5.0 |
| Topics applicable for work | 4.0-5.0 / 5.0 | 3.4-4.5 / 5.0 | 3.6-4.3/5.0 |
| Event participation active[[54]](#footnote-55) | 1.7-1.0U | 1.2-1.6U  45-82% | 51-67% |
| PEMPAL website # of visits  # of page views | 11,518  50,106 | 12,131  50,127 | 13,191  47.388 |

## Table 2: Results of Member Surveys 2013 and 2014

|  |  |  |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

**Table 3. Overview of PEMPAL Finances, USD thous.**

|  |  |
| --- | --- |
| ***Resources available*** |  |
|  | **FY13-17** |
| **Donor contributions to PEMPAL MDTF** |
| SECO | **5000.6** |
| Russian MOF | **5130.0** |
| TOTAL donor contributions | **10130.6** |
|  |  |
| **Available balance on MDTF account as of the beginning of the period** | **520.0** |
|  |  |
| ***Resources required*** |  |
|  |  |
| Costs estimated in PEMPAL strategy | 10540.0 |
| Actual /latest projected costs | 10648.9 |
| DIFFERENCE (actual - strategy estimate) | 108.9 |
|  |  |
| ***Financing gap (-)*** | ***2.0*** |

**Table 4. PEMPAL Program Spending, USD thous.**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | FY13 | FY13 | FY14 | FY14 | FY15 | FY15 | FY16 | FY16 | FY17 |
|  | PLAN | ACTUAL | PLAN | ACTUAL | PLAN | ACTUAL | PLAN | PROJECTED | PROJECTED |
| COP activities \* | **1350.0** | **983.0** | **1076.0** | **886.3** | **1271.0** | **886.7** | **1065.0** | **1065.0** | **990.0** |
|  |  |  |  |  |  |  |  |  |  |
| Cross-COP activities \* |  |  |  |  |  |  |  |  |  |
| - leadership meetings | 50.0 | 70.0 | 62.0 | 36.5 | 60.0 | 0 | 60.0 | 85.0 | 50.0 |
| - type B study visits | 70.0 | 30.0 | 70.0 | 0.0 | 70.0 | 27.3 | 60.0 | 60.0 | 50.0 |
| * whole network plenary meeting |  |  | 700.0 | 721.9 |  |  |  |  |  |
| *main plenary* |  |  | *550.0* | *602.9* |  |  |  |  |  |
| *COP events attached to the plenary* |  |  | *150.0* | *119.0* |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| Resource teams (WB) | 440.0 | 530.0 | 550.0 | 625.0 | 550.0 | 585.0 | 470.0 | 470.0 | 430.0 |
| Steering Committee activities | 40.0 | 40.0 | 50.0 | 50.0 | 50.0 | 0 | 30.0 | 20.0 | 30.0 |
| Secretariat | 200.0 | 288.6 | 400.0 | 358.5 | 380.0 | 360.0 | 380.0 | 237.4 | 235.0 |
| Communication costs (WB) |  | 9.5 | 10.0 | 15.2 | 10.0 | 2.0 | 5.0 | 5.0 | 5.0 |
| Translation costs (WB) |  |  |  | 20.0 |  | 11.0 | 10.0 |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **TOTAL** | **2150.0** | **1951.1** | **2918.0** | **2713.4** | **2391.0** | **1872.0** | **2005.0** | **1942.4** | **1790.0** |
|  |  |  |  |  |  |  |  |  |  |
| Contingency | 265.0 |  | 250.0 |  | 250.0 |  | 190.0 | 190.0 | 190.0 |
|  |  |  |  |  |  |  |  |  |  |
| **GRAND TOTAL** | **2415.0** | **1951.1** | **3168.0** | **2713.4** | **2641.0** | **1872.0** | **2195.0** | **2132.4** | **1980.0** |

\* direct costs only, administered by the Secretariat

**Table 5: Schedule of 2014 Events by COP, Meeting Format and Location**

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

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

# Attachment 2: Overview of Results

|  |
| --- |
| **STRATEGY GOAL/IMPACT – PEMPAL member Governments from Europe and Central Asia more efficiently and effectively use public monies resulting from applying new PFM practices** |
| **No Actions in place** (in accordance with results framework logic).  **Assessment of Status of Progress and Performance: Satisfactory**, given **i**mpact evident through qualitative assessment provided by members (through success stories), verified to some extent by internal COP surveys and feedback offered by senior officials on value and benefit of PEMPAL involvement. Measurement by PEFA indicators and other PFM related assessments negatively impacted by identified risk factor of such improvements not being easily measurable, and such assessments being out of date or not comprehensive across region.  **Three indicators in place, with summary of performance status presented below (with more detailed analysis provided in Attachment 3):**   1. **Cases of applicable good practice using PEMPAL learnings** (qualitative assessment, no specific target set). Last network wide initiative undertaken by Secretariat in in 2011 <http://www.pempal.org/success-stories/> More success stories collected on individual rather than country basis and largely from IACOP in 2011. Increased provision of success stories from BCOP and TCOP evident as part of MTR exercise, compared to those collected in 2011.  * Performance**: Satisfactory**. Good results evident that PEMPAL is having an impact. From success stories provided, 6 BCOP and 10 TCOP countries provided examples of how PEMPAL learnings were used. See IACOP results reported under indicator 2 below. Success stories provided in COP submissions, and reproduced in Attachment 4 to this report. * Reporting could be strengthened by making data collection processes more systematic and standardized across COPs. IACOP does periodic reviews (2011, 2014) and TCOP undertook similar review in 2015. On an ongoing basis, success stories are collected by IACOP through enabling group ‘Value Detectives’, and in other COPs, through normal post-event surveys (although survey instrument has constraints with format and anonymity of survey results making it difficult to attribute story to specific country unless explicitly stated).  1. **Accurate and verifiable information on the application of PFM good practices** (no specific target set). Last measured by independent evaluation results in 2012, which found of 20 member countries at the time, 13 to 15 indicated that activities of PEMPAL had positively influenced their PFM systems.[[55]](#footnote-56) Similar external, independent evaluation not planned until end of strategy, and is outside scope of this review.  * Performance**: Satisfactory**. IACOP’s 2014 review indicated 12 out of 18 countries surveyed reported high to significant impact on PFM reforms of IACOP activities. Difficult to compare to 2011 IACOP survey results as different feedback collected on progress of specific reforms (eg progress of IA strategy and legislation being developed, number of IA Central Harmonization staff being established, number of internal auditors being trained and certified as evidence of IACOP support to internal audit function being established at the time in many countries (driven by EU requirements). * BCOP and TCOP undertake pre-meeting surveys which document application of PFM good practices. Results are used to inform agenda development, and facilitate benchmarking and networking between countries. Similarly BCOP participated in external OECD survey which documented 13 member country budget practices and procedures. No evidence of surveys being repeated, to determine progress over time. * Members and COP Executive Committees provided evidence of positive impact (including statements from senior officials validating impact in their COP submissions) and in responses to the member survey (refer Attachment 4).  1. **PEFA indicators and other PFM related assessment** (no specific target set).  * Performance: **Moderately satisfactory**. Despite diffulties in attribution to PEMPAL given influence of many factors on PFM systems, some countries offered indicator examples but without detailed information on how PEMPAL had influenced them. * Collation of national and international assessments could be prepared for PEMPAL member countries, and fed into network strategic planning processes, to facilitate targeting of PEMPAL products and services.   **Suggested Areas of Improvement**: (Refer to the Table after the report’s conclusions for the final list prioritized and approved by the PEMPAL Executive)   * A more systematic and standardized approach to collecting success stories could be established in future. * Consideration could be given to suggestion by MoF of Russian Federation to investigate the terms and conditions that contribute to PFM development in each member country, to better understand how PEMPAL can strengthen reforms. This could be done by collating and analyzing national and international assessments, but resourcing, scope and timing of such and initiative would need to be determined.   **External Risk Factors and Mitigating Strategies:** Six risk factors identified in the strategy. Some negative impacts evident from one of these risk factors (risk 6) with countries reporting that it is difficult to directly attribute improvements in PFM systems to PEMPAL through available indicators. Risks 4 and 5 are also difficult to assess with only qualitative feedback from members through post-event surveys indicating that benefits are shared, although success stories show evidence of learnings and knowledge being used. Strategies in place to mitigate potential risks in these areas.   1. Political will and opportunity to realize the desired changes in PFM good practices exists – **Risk assessed as low**. Evidence suggests political will exists for PFM reform in member countries, given continued support by Ministers from member countries to stay involved in PEMPAL. 2. Governments make changes and improvements to PFM systems in line with global good practices – **Risk assessed as low**. From success stories, evidence suggests Governments are making changes and improvements to PFM systems, in line with good practices. 3. Suitable infrastructure and resources are available in the countries to support the desired changes in PFM systems – **Risk assessed as low**. Most countries in PEMPAL are middle income countries, with some high income. Only one country is low income. 4. Benefits from PEMPAL are shared within the target agencies – **Risk assessed as low**. Survey results indicate members do share benefits within their agency and this is validated by positive feedback from senior officials. (Members are asked in post-event surveys as to how they are going to share and use learnings/knowledge). 5. Benefits from PEMPAL are shared more broadly within the national governments – **Risk assessed as moderate**. Some evidence that benefits are shared more broadly through reforms being discussed in PEMPAL impacting on government wide processes (eg improvements in budget instructions issued by MoFs to line ministries, FMIS reforms etc). To mitigate any potential risks, event reports and communiques are developed after major events and posted on public website. Marketing and communication strategy in place with annual reports, newsletters distributed to facilitate sharing of PEMPAL benefits more broadly. 6. Improvements in PFM practices are easily measured by available, comprehensive and up to date assessments of PFM quality – **Risk assessed as high**. There is a lack of comprehensive and up to date assessments of PFM quality across PEMPAL member countries (eg PEFA) and it is difficult to attribute improvements directly to PEMPAL given other influencing factors. This risk is mitigated, however, by conducting informal pre-event thematic surveys to ascertain reform progress and to facilitate benchmarking and networking. |
| **OUTCOME – A sustainable, professional public financial management platform through which individual members are networked to strengthen their capacities and enable them to share learnings and benchmarking between countries** |
| **No Actions in place** (in accordance with results framework logic).  **Assessment of Status of Progress and Performance**: Satisfactory, although concerns expressed by donors regarding financial sustainability will need to be addressed before end of strategy. This issue is addressed under output objective 3.  **Two indicators in place with summary of performance status presented below (with more detailed analysis provided in Attachment 3):**   1. **New and improved skills, knowledge and professionalism in PFM practices (as assesed by Ministers and Heads of Organizations).** No specific target. 2012 independent, external evaluation results surveyed Ministers and Heads of Organizations which found out of 20 member countries at the time, 13 to 15 indicated that activities of PEMPAL had positively influenced their PFM systems.[[56]](#footnote-57) Conducting an external, independent evaluation to interview Ministers etc was outside the scope of this review.  * Performance: **Satisfactory.** Quotes and letters of support were collected by COPs for inclusion in their submissions to the review, which shows positive evidence from Ministers, Heads of Organizations and other senior officials. From MTR survey results, around a third of members reported that they have designed, recommended or implemented PFM reforms using the experiences of fellow COP members or from learnings gained through the COP. Increases evident from baseline 2012 survey results, for BCOP and TCOP, particularly for TCOP. Further, over half 2015 survey respondents in TCOP and IACOP, and over two-thirds in BCOP, indicated they were likely to in the future.  1. **Satisfaction of individuals with opportunities for sharing and learning provided by the network.** No specific target. 2011 PEMPAL Annual Report showed baseline for satisfaction with events ranging from 4.2 to 5.0 out of a maximum of 5.0.  * Performance**: Satisfactory.** Satisfaction ratings have stayed consistently high (4.3 to 5.0 from CY2012 to CY2014) with evidence of an increase from CY2013 to CY2014 (collated from Secretariat performance data collected on CY basis).   **Suggested improvement initiatives**: (Refer to the Table after the report’s conclusions for the final list prioritized and approved by the PEMPAL Executive)   * Facilitate targeting of PEMPAL products and services towards specific PFM practices. Options could include:   + collating available PFM assessments for each member country to better understand strengths and weaknesses (to be verified by member countries) and feeding them into network strategic planning processes;   + continued expansion of more direct network delivery strategies such as working groups, case clinics; and   + investigating approaches used by other networks.   **External Risk Factors and Mitigating Strategies**: Two factors identified in strategy. No negative impact from any of these risk factors evident for the review period.   * Ministers/Heads of Organizations continue to support membership of the PFM platform with appropriate people and resources –**Risk assessed as low**. Membership analyses periodically undertaken to identify and address any issues - participation and membership analyses indicate continued support from most countries. Risk may eventuate however if financial contributions are not supported by some countries. * Individual PEMPAL members will be able to contribute to institutional capacities and influence reforms within their own institutions – **Risk assessed as low** as suggested by MTR survey results. Only one respondent from BCOP, and four from both TCOP and IACOP indicated that they were unlikely to use their PEMPAL experiences to change PFM practices in the future, which may reflect their positions in their organizations, or their current lack of direct authority to directly affect such change (Attachment 9, Information Annex). |

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| **OUTPUT OBJECTIVE 1**  PFM priorities of member governments are addressed by the PFM network platform. |
| **Three Actions under implementation:**  **Action 1.** Developtwo year rolling COP action plans aligned with COP specific strategic plans and the PEMPAL Strategy 2012-17 results framework The COP Executive Committees collect priorities of each country and choose the thematic areas to be addressed using a transparent and fair prioritization process. These priorities sufficiently address the priorities of the member governments  **Action 2.** Implement COP Action plans, in accordance with budget management guidelines, that address PFM priorities. COP Action plans are to be monitored by the Steering Committee and by the Executive Committees  **Action 3**. Identify synergies and working projects between COPs  **Progress Overview**: Actions 1 and 2 show good progress. For Action 3, although sharing of information evident, no joint projects or specific synergies have been identified and acted on.  **Five indicators in place, with summary of performance status presented below (with more detailed analysis provided in Attachment 3):**   1. **COP Action Plans approved by SC by February each year**.  * Performance: **Satisfactory (target achieved).** COP Action plans for FY13, 14 and 15 approved by February each year. Improvements also evident in quality / comprehensiveness of some plans.  1. **Number and type of cross-COP exchanges (no specific target)**.  * Performance: **Moderately satisfactory**. Formal and informal mechanisms continue to operate, including major cross-COP meeting of all members held in 2014, and cross-COP executive meetings held in 2012, 2013 and planned for 2015. Although sharing of information evident, no joint projects or specific synergies have been identified and acted on. Current statistical collection and reporting mechanisms found inadequate to effectively report on cross-COP exchanges whereby participants from one COP attend an event of another although several specific instances reported.  1. **Confirmation that reform areas identified are aligned with respective Government priority areas**.  * Performance: **Satisfactory.** COPs provided evidence of annual consultation processes through face-to-face meetings and/or surveys of member countries to identify their priorities to inform COP Action Plans. Alignment also confirmed by feedback collected from some senior officials from member countries.  1. **COP Action Plan budget verses actuals (no specific target)**.  * Performance: **Satisfactory.** COP budgets implemented in accordance with approved budget management guidelines. Actual spending under COP budgets for FY13, 14 and 15 is within the limits approved by the Steering Committee.  1. **COP Action Plans foreseen events verses actual (no specific target)**.  * Performance: **Satisfactory.** All events foreseen in the COP Action plans as approved by SC were reported as implemented across the review period.   **Other key achievements reported include**:   * Action plans are developed and approved by the Steering Committee, within approved budget management guidelines, and regularly monitored by the COP Executive Committees and their resource teams. These plans are aligned to the PEMPAL strategy and/or COP specific strategies.[[57]](#footnote-58) * There is also growing experience in budget management, which at times has been impacted negatively by the need to confirm availability of sufficient donor funding; and by overestimation of forecast expenses by the Secretariat, due to cost structures in different international locations being unknown. * Regular meetings are being held of Steering Committee and Executive Committees. A monitoring framework is in place, with standardized, online surveys being issued after every major event, and in-depth, external evaluations being implemented every 3 to 4 years. Evidence was provided that the Executive Committees and their resource teams use this information to develop and inform their actions plans. Donors are also actively engaged on the Steering Committee, and have offered a number of improvements to the COP action plans and how they are presented for approval to the Committee.   **Suggested Improvement Initiatives:** (Refer to the Table after the report’s conclusions for the final list prioritized and approved by the PEMPAL Executive)   * COP action plans could be more comprehensively presented to the Steering Committee for approval, as recommended by donors. * Steering Committee meetings could be used more effectively for cross-COP exchanges, with COPs playing a more active role (through providing more informative reports as recommended by the Ministry of Finance of the Russian Federation). * COPs could follow through with concrete actions on cross-COP exchanges identified at the Moscow 2014 meeting (as recommended by SECO). * Strengthen recording and reporting of some types of cross-COP exchanges.(ie COP members attending events of other COPs)   **External Risk Factors and Mitigating Strategies in Place:** Four risk factors identified in the strategy. No negative impact from any of these risk factors evident for the review period.One risk is no longer valid and can be removed from the strategy.   * The PFM priorities defined by individual members adequately cover the priorities of their governments – **Risk assessed as low** given process established by COPs to ensure effective consultation and prioritization. * World Bank ECA region PFM study available within timeframe to assist COPs with strategic planning process – **Risk no longer valid**, results of study were shared at Cross-COP executive Committee meeting in 2013, and at COP specific meetings, within time for strategic and action planning processes.. * Ministers/Heads of Organizations continue to assign appropriate participants in line with Rule of Operation membership eligibility guidelines – **Risk assessed as moderate**. COPs have active membership strategies and participation indicators show that there is active participation by most countries. Risk mitigating measures in place - periodic membership analyses and ongoing improvement in membership data management. * Priority PFM reform areas have sufficient commonalities to generate interest in cross-COP exchanges – **Risk assessed as low**. Cross-COP interaction and interest evident. |

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| **OUTPUT OBJECTIVE 2** Quality resources and network services, supporting relevant PFM practices, are provided to members |
| **8 actions in place.**   * **Action 4**. Ensure the Secretariat addresses members’ needs, in an efficient and effective way. This action includes new TOR to be developed and implemented for previous Secretariat implementation mechanism (ie more resources, full-time, including native Russian speaker, extended scope) by 2013-14 in line with PEMPAL network requirements, and the contract between the Secretariat and the World Bank (based on TOR) with performance indicators established and duly implemented, monitored.[[58]](#footnote-59) **Completed.** * **Action 5**. Develop and share knowledge resources and products * **Action 6a**. Facilitate access to PFM experts * **Action 6b**. Provide the Executive Committees with sufficient and effective support (COP technical Resource Teams) * **Action 7.** Differentiate services to cater for needs of countries at different reform levels: Involvement of countries at differing reform levels facilitated including advanced countries; Resources provided to cater for countries at different levels * **Action 8**.Roles and responsibilities of key network actors as specified in the Rules of Operation are understood and followed * **Action 9**. Facilitate access to PFM Institutes through a) showcasing institutes at COP plenaries (eg Slovenia, Armenia, Kazakhstan, Russian Federation, Poland, Lithuania, UK) and b) support study tours for those countries interested in establishing such institutes First cross-COP plenary (that includes PFM institutes) conducted by end 2013-14 * **Action 10**. Facilitate members working together in a geographically dispersed environment by adopting suitable technology solution   **Assessment of Status of Progress and Performance**: On track. All actions show good progress except unidentified risk of Secretariat implementation mechanism needing to change may negatively impact on implementation of Action 4.Some delays may be experienced in final years of strategy as this new implementation mechanism for Secretariat is established. Action 4 sub-action target related to former Secretariat’s TOR is completed and can be removed from strategy. Action 4 also includes benchmarking of Secretariat services which is not appropriate for remainder of strategy, given new delivery mechanism needs to be established and capacity built. Some strengthening of collection of new indicators established as part of the strategy is needed (see below).  Risk 3 (below), is no longer valid given it applied to former Secretariat mechanism (unless Steering Committee decide to establish new procurement process). Risk 2 has had negative impact in some cases, due to complicated visa processes in some countries, mitigated by starting event preparations at least 3 months prior. Some moderate risk with fragility of new technology solutions evident causing delayed starts for some meetings.  **Twelve indicators in place (excluding sub-indicators)** with summary of performance status presentedbelow with more detailed analysis provided in Attachment 3. All indicators were already collected by the Secretariat (as included in PEMPAL Secretariat annual and quarterly reports) so baseline data for 2012 was used (CY12 given Secretariat collects statistics on this basis). Others marked NEW did not have any baseline data and were new indicators.   1. **Number of events (plenary meetings, working group meetings, study tours).** (No specific target identified).  * Performance: **Satisfactory.**  Significant growth in events evident over the strategy period particularly in use of video-conferences and move from plenary meetings of all members to more targeted small group meetings for a sub-set of member countries.  1. **Satisfaction of participants on the quality of PEMPAL products and services**. (No specific target identified). Performance: **Satisfac**t**ory.**  Satisfaction levels with quality of materials remain high and show increases on most material types between 2012 and 2015 survey results. COPs adopt a wide range of approaches to ensure services are differentiated for countries at differing reforms levels. More targeting of support could be done, if current status, strengths and weaknesses of each member country known (as suggested by MoF Russian Federation). 2. **Number of PFM thematic experts on specific topics.** (No specific target identified).  * Performance: **Satisfactory.** PEMPAL has facilitated access to 526 international experts and resource team members from CY 2012 to CY 2014, with increases evident in first year then decreases experienced, reflecting more engagement of member countries in event delivery and use of smaller working group formats that use less speakers etc.  1. **Value added by PFM thematic experts**. (No specific target identified, no baseline available).  * Performance: **Satisfactory.** In the COP submissions, the Executive Committees rated the support from technical Resource Teams as highly satisfactory.  1. **Quality and frequency of use of technology solutions facilitated, monitored, implemented** **(NEW (1)).** No target identified.  * Performance: **Satisfactory.** Feedback was sought in the COP submissions to the review, and also from members in the MTR survey – more systematic monitoring could be considered. Evidence that knowledge is being developed and shared through multiple technology tools. The donors emphasized the need to ensure the materials stored on website and wiki are maintained and updated to ensure they remain current and relevant and there will need to be an increased focus on technology solutions in future.  1. **Feedback a) from members on usefulness of technology to facilitate communication and b) about the service offered from the Secretariat in IT platform maintenance**. **(NEW (2)).** No target identified. A question was asked in the MTR survey on the usefulness of technology solutions for communication, and feedback sought from the World Bank team who monitored the Secretariat contract, on the contract’s effective implementation.  * Performance: **Satisfactory.** a) Usefulness of technology rated highly, with some specific reported incidences of concerns, largely related to access to certain technologies and need to keep them updated (wiki). Increased use of VCs evident with strengthened monitoring established. b) Feedback from sub-team monitoring contract indicated progress satisfactory. Indicator needs to be incorporated into TOR of new mechanism.  1. **Number of documents uploaded to Virtual Library (balance, new); PEM PAL website traffic analysis (No. of visits, no. of page views); PEM PAL wiki traffic analysis (No. of visits, no. of page views).** No target identified.  * Performance: **Satisfactory.**  Website use remains high with some falls in number of visits, but increases in number of page views. Variable use of wiki between COPs. Improvements required to enable monitoring of ongoing use of virtual library although MTR survey results indicate not used by around 20-27% of members.  1. **Number and type of PEMPAL self-produced knowledge products or services developed or made available by different COPs** **(NEW (3)).** No target identified. The Secretariat begun in 2014 to monitor the number of knowledge products – how knowledge products are defined and measured could be strengthened.  * Performance: **Satisfactory**. During the strategy period June 2012 to December 2014, twenty-eight (28) knowledge products were developed by PEMPAL (as included in the COP submissions). Previously only IACOP had focus on knowledge product production, but other COPs increased focus in response to 2012 external evaluation recommendations. Approach to identifying and reporting on knowledge products needs to be strengthened, including defining the different types. Donors also are interested in information on how such products are being used, and increased focus on ensuring they are kept updated.  1. **Value for money indicators (**total event expenses: gross vs net, per event, per participant, per day, in USD and EUR). No target identified.  * Performance: **Satisfactory.** The Secretariat provided value for money indicators which showed evidence of increasing event related costs, although expenses per event and per participant are decreasing.  1. **Satisfaction of members with performance of a) Secretariat b) Steering Committee, COP Executive Committees** No target identified.  * Performance: **Satisfactory.**  Evidence of increased member satisfaction since 2011 external survey with Secretariat, Steering Committee and most COP Executive Committees. Donors offered improvements in operations of Steering Committee including more active engagement of COPs in meetings.  1. **Satisfaction of Executive Committees and Resource Teams with Secretariat performance**. No target identified.  * Performance: **Satisfactory.**  In COP submissions to the review, the Secretariat services were rated by the Executive Committees as highly satisfactory by BCOP; and satisfactory by TCOP and IACOP, with only minor administrative issues currently being addressed. Significant improvement evident since feedback given in external evaluation in 2012.  1. **Number of study visits to PFM institutes supported. Number advanced countries engaged**. **(NEW (4)).** No target identified. COPs were asked to include any such activities in their COP Submissions. Periodic collection sufficient for this indicator.  * Performance: **Satisfactory.** Both TCOP and IACOP reported member country demand which resulted in initiatives being implemented. Limited interest evident in BCOP member countries.   **Suggested improvement initiatives**: (Refer to the Table after the report’s conclusions for the final list prioritized and approved by the PEMPAL Executive)   * Confirm that such benchmarking of Secretariat services, as required under Action 4, is no longer appropriate given urgency of establishing new Secretariat mechanism. * Confirm that targets indicated under Action 4 (related to delivery of the contract with the former Secretariat) can be removed from the strategy given they have been completed. * Identify and clarify the types of products and services being delivered by PEMPAL (ie more systematic approach to branding PEMPAL knowledge products and services, drawing on experiences of other networks eg CABRI) * Improve the collection of information about the use of PEMPAL provided or produced knowledge products (including the library once the new platform is finalized). * Ensure the quality of knowledge products and resources is maintained through regular updating where feasible. * Ensure adequate resources are allocated to the effective monitoring and maintenance of website, wikis and other storage and communication repositories used by PEMPAL. * Periodically assess developing technology solutions for their applicability and usefulness in improving communication, particularly translation tools given the multi-lingual nature of the network. * Clarify the role of observers and strengthen the role of COPs on the Steering Committee in line with recommendations made by donors. * Revisit the procedural framework to identify any changes required as a result of donor recommendations and the new Secretariat delivery mechanism being established.   **External Risk Factors Identified and Mitigating Strategies in Place:** Nine factors identified in the strategy. No negative impact evident except some delays and non-attendance due to visa issues. Risk managed through starting visa processes three months before event where feasible.   1. Countries outside of ECA are interested to participate in events - **Risk assessed as low** given high interest of countries hosting study visits (eg UK, South Africa, South Korea, Austria), and also attending meetings to deliver country case studies. 2. **Visas are issued in a timely and effective way – Risk assessed as moderate. There has been delays due to complicated procedures in some embassies** (eg requiring face-to-face interviews and embassies not located within member country). Issues also exist in cases where there are no diplomatic relations between countries. 3. The procurement process for new Secretariat contract is completed in a timely fashion – **Risk no longer valid** given this action was completed. Could apply to new Secretariat, if PEMPAL Executive choose to tender for permanent mechanism. 4. Availability of PFM experts to support events on specific reform themes – **Risk assessed as low** given reported attendance of PFM experts across the strategy period. 5. Assigned donor funded resource teams are not pulled away to competing tasks by their host governments or organizations – **Risk assessed as low** as no such incidences were reported by the resource teams. 6. More advanced countries are interested and available –  **Risk assessed as low** given reported attendance of more advanced countries through participation in, or hosting of, meetings. 7. Other duties and responsibilities allow actors to take on the network responsibilities required –  **Risk assessed as low** given evidence provided of work to clarify and confirm network responsibilities. 8. PFM institutes are available and interested to participate in plenaries and host study tours – **Risk assessed as low** given reported activities by TCOP and IACOP. 9. Cost effective and sustainable communication technologies are available –  **Risk assessed as moderate** withsome fragility in new solutions being adopted evident, which causes delays in meeting starts. |
| **OUTPUT OBJECTIVE 3**  A financially-viable network of public financial management professionals, committed to improving PFM practices in the Europe and Central Asia region, is built and maintained |
| **3 actions in place.**   1. **Action 11**. COPs to monitor and sustain quality membership 2. **Action 12**. Seek co-financing and in-kind contributions from members where possible. Improve collection and reporting of in-kind and financial contributions 3. **Action 13**. Implement targeted marketing to donors and professional associations. Marketing and Communication Plan developed by Secretariat by 2012-13 which identifies key target groups and method of communication,   **Assessment of Status of Progress and Performance: On track** on proviso study on financial sustainability options needs to be completed before development of next strategy and collection and reporting of in-kind and financial contributions is strengthened. Quality of membership database could be improved to include more comprehensive information on functional areas within target ministries, to facilitate periodic membership analyses. Action 11 shows good progress. Actions 12 and 13 need more focus.   * Marketing and Communication Plan has been developing during strategy with Secretariat providing copy as part of review process. Could be strengthened in light of review results with COPs identifying additional professional associations and products and services. Donors also want reporting to be more targeted and focus on results, although evidence of improved reporting was found in format of annual reports and newsletters, and previous Secretariat was working on streamlining reporting before its departure which will need to be reallocated to new Secretariat delivery mechanism and/or resource teams.   **Ten indicators in place**  with summary of performance status presentedbelow with more detailed analysis provided in Attachment 3**:**   1. **Number of member countries actively attending events**. No target set for number of member countries although eligibility restricted to those in Europe and Central Asia region, and subject to approval by Steering Committee.  * Performance: **Satisfactory.** IACOP increased by two member countries to 23 in total, as approved by Steering Committee (BCOP and TCOP remaining at 21,with TCOP increasing to this number early in the strategy period although new member not active). Other countries not approved (Afghanistan and MENA members) given outside the ECA region but invited to participate in events where relevant.  1. **Individual members by COP, by event in total.**  Informal target of 100% set for participants coming from target agencies and areas within agencies as defined by the COP Executive Committees, under their membership approaches. Improvements in defining membership evident since 2012 external evaluation, with members defined as those attending two or more events, and more closer involvement of COPs with monitoring and targeting membership over the strategy period, than was reported in 2012 (apart from IACOP who has had active policies for some time).  * Performance**: Satisfactory.**  Evidence of core membership across all COPs, driven by member countries participating in Executive Committees and to some extent, those countries sending additional participants as self-payers. From membership analyses, BCOP has 61 core members, TCOP 119, and IACOP 65.  1. **% of returning vs one off participants**. No target identified.  * Performance: **Satisfactory.**  Evidence of significant proportion of new participants in all COPs, (ranging from 8%-41% across review period and baseline) suggests strengthened approach to manage new members is needed to ensure previous knowledge is shared. The number of new participants could be driven somewhat by the fact that more member countries are hosting events and thus able to send additional participants who would normally not attend given membership policies. Countries sending additional participants as self-payers could also affect these figures.  1. **% from MoF and other agencies**. Target of 100% set to ensure relevant people attending to maximize benefits of peer learning and knowledge creation. Target agencies identified by Executive Committees. Data on individual members is held within Secretariat database but issues of quality had to be fixed to facilitate effective membership analyses as part of this review. Membership analyses only conducted periodically to ensure target members are attending.  * Performance: **Satisfactory.** 100% of target agencies attending events for TCOP and BCOP (Ministries of Finance and Treasuries). Most members in IACOP from Ministries of Finance but evidence of some line ministry membership which needs clarification by Executive Committee given precedence and financial implications of extending membership to agencies that do not have a central, coordinating role. (Could be involved as have active involvement in specific agendas).  1. **% from target functional areas and job levels**. Target of 100% set to ensure relevant people attending to maximize benefits of peer learning and knowledge creation. Target areas identified by Executive Committees and can change depending on the technical demands of the event. Functional areas and job levels are not comprehensive in some cases in Secretariat’s membership database to determine if member is from target areas (eg Department Head, with no information on what the function of that department is). Further improvements in invitation and registration processes will need to be implemented, to facilitate future analyses.  * Performance: **Satisfactory**. For BCOP, the majority of members are at middle to high management levels (77%) with two members coming from political levels. The majority of TCOP members (69%) are from senior levels, with 3 Ministers, 6 Deputy Ministers and 8 Treasury Heads also attending events during the strategy period. For IACOP, approximately 80% are Heads, Deputy Heads, and Directors or at senior levels, within internal audit related areas.These levels may not be directly comparable to senior levels reported in BCOP and TCOP.  1. **Event participation statistics** (% active, average, passive). No target identified although active participation ideal to maximize learning and knowledge exchange. With increased use of working group and smaller meeting formats, it would be expected that level of activity would increasingly become more active. Although survey results indicate no change, as reported by participants through post-event surveys, and collated by Secretariat. Clarification on methodology of reporting required given change in reporting from CY 2013 to CY 2014 with methodology behind new reporting unclear.  * Performance: **Satisfactory.** Participants felt equally as active between 2013 and 2014 as reported by the Secretary  1. **Donors providing financial and/or in-kind contributions**. Target identified of filling funding gap in strategy, which was achieved with additional financial contributions being made by existing donors. Data on in-kind contributions was collected from COPs and Secretariat specifically for purposes of this review – so strengthened ongoing data collection and reporting is required (as also requested by current donor SECO).  * Performance: **Satisfactory** Evidence of decreasing in-kind contribution with OECD Sigma leaving PEMPAL, offset however by evidence from COPs of informal contributions by other donors through assistance with technical programs on an ad hoc basis For example, OECD, IMF, GIZ, IFAC, IPSAS Board, CIPFA. Only two financial donors evident during strategy period: SECO and Ministry of Finance of Russian Federation. Issues of financial sustainability need to be addressed by end of strategy.  1. **Recipient countries providing financial or in-kind contributions**. No target identified. Collection and reporting mechanisms need to be strengthened (as also requested by donors).  * Performance: **Satisfactory.** Evidence of good progress with increasing in-kind financial (self-payers) and non-financial contributions from many countries (particularly to attend TCOP and BCOP events). Willingness by some members to pay membership fees also indicated in MTR member survey. 36% of normal members on average willing to pay, with more willingness in BCOP and IACOP than TCOP. Financial contributions (self-payers) encouraged in both TCOP and BCOP for participants over and above those allowed in membership policies. For Output Objective to be fully implemented by end of strategy period, financial sustainability options need to be investigated and incorporated into the next strategy. Senior officials indicated in interviews conducted during external evaluation during 2011, that they were not in principle opposed to paying membership fees, but highlighted obstacles countries would face to budget for the fees; unless PEMPAL is constituted as a separate legal entity (for example through an international agreement), to allow countries to be able to budget for such fees.  1. **Frequency of contact between network members**. No target identified. although the conditions of an effective network is regular formal and informal contact inside and outside of formal events, to build trust and to facilitate discussion and work on common PFM issues  * Performance: **Satisfactory.** From 2012 external evaluation results, it was evident that IACOP was a much more active network, reporting 200 connections in 2011 compared to BCOP and TCOP of 15 and 16 respectively, although the analysis warned also that TCOP and BCOP had more non-members ‘outsiders’ at the time that were not regular participants in the network. Although not directly comparable with 2015 survey results, particularly given improved targeting of 2015 survey to actual members and no ‘outsiders’, some conclusions can be drawn. Some growth is suggested particularly in TCOP and BCOP with periodic and regular contact between all Executive Committee members reported across all COP. For other members, IACOP members have the most contact, with only 9% indicating no contact, compared to 23% of BCOP members, and 32% of TCOP members. Email is still the main medium of exchange, although IACOP also use wiki, particularly by the Executive Committee. Phone/skype is also being used with the most common reason for contact across all three COPs is for sharing of information  1. **Relevance and usefulness of opportunities and resources provided by the network as measured by indicators related to knowledge applicable to daily work, event addressed issues important to my work** etc. No target identified although the higher the ratings the better given objectives to provide quality network products and services.  * Performance: **Satisfactory.** Results indicate relevance and usefulness of opportunities provided by network has been rated high in CY 2013 and CY 2014, and shows improvement in knowledge obtained being increasingly applicable to daily work. Evidence provided from COPs of increased collaborations with professional associations over the strategy period   **Suggested improvement initiatives**: (Refer to the Table after the report’s conclusions for the final list prioritized and approved by the PEMPAL Executive)   * Improve collection and reporting of in-kind and financial member contributions, within agreed templates. * Views should be sought from Executive Committee members on possible impediments to providing financial contributions, particularly from those who expressed an unwillingness to pay them in the member survey. * A study could be initiated on how to implement financial member contributions. The experiences of CABRI[[59]](#footnote-60) and OECD SBO may be useful in these investigations. As an interim measure, practices currently applied to encouraging self-payers could be shared between COPs, and standardized. Current systems to collect and monitor information on in-kind financial and non-financial contributions in PEMPAL also need to be strengthened. * Discussions with current donors in member countries could be pursued, to determine their interest to support or promote PEMPAL (as recommended by a member in response to the survey). * To facilitate marketing to potential donors, decision is required on the timing of initiation of discussions on a new PEMPAL strategy for the next period. Next strategy should include detailed approach to financial sustainability. * Further review and streamline current reporting processes and outputs (annual report), with a focus on issues, problems, results and solutions, taking into account donor suggestion. * Quality of information in the membership database could be improved, particularly on department within an agency. * Standardized approaches could be explored for induction of new members as part of marketing strategy and approach to manage member turnover. Eg development of induction kit * The marketing and communication plan could be strengthened in light of additional professional associations, products and services identified as part of the review process.   **External Risk Factors Identified and Mitigating Strategies in Place:** Three factors identified in the strategy**.** No negative impact from any of these risk factors evident for review period, although potential moderate impact of risk related to financial contribution could eventuate in future.   1. Sufficient member governments have resources and are able to offer financial and/or in-kind contributions in the medium and long term – **Risk assessed as low** given only one member country is classified as low income. 2. Appropriate members participate in the network in line with the Rules of Operations (on membership eligibility) – **Risk assessed as low** given COPs have active membership policies, and Steering Committee must approve any new member country. 3. No legislative impediments exist to financial contribution – **Risk assessed as moderate to low.** It is not clear whether there are any legislative impediments that exist, which need to be investigated as part of any future study. CABRI became an international organization to facilitate subscription payments, amongst other reasons, and further investigations are needed if such subscription to PEMPAL services is pursued in future. However, some countries are already sending additional participants as self-payers to PEMPAL events, so the risk of legal impediments of this form of financial contribution appear low. |

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| **OUTPUT OBJECTIVE 4: Awareness of high government and political levels is raised regarding the benefits and value of engaging through PEMPAL** |
| **Two Actions in place**   1. **Action 14**. Investigate feasibility of transforming PEMPAL into a more formal network of national PFM institutions. Decision to be taken by the Steering Committee. 2. **Action 15**. Implement revised approach to marketing at senior management level (including Minister and Deputy Minister levels.   **Assessment of Status of Progress and Performance:** On track with evidence provided of awareness of high government and political levels raised. However, donors would like more focus on this area, particularly on Action 15. No progress evident on Action 14.   * There is evidence of increased awareness of high government and political levels of the benefits and value of engaging through PEMPAL**.** The number of Ministers and Deputy Ministers and other high level officials attending or opening events has increased with COPs provided quotes from various senior officials of their support to PEMPAL (refer Attachment 4). * There has also been a revised approach to marketing at these levels, with coordinated thank you letters implemented. * Further work could be undertaken as in the original strategy it was envisaged that information would also be provided on the range of trust funds and technical assistance support options available to countries to assist them achieve PFM reform priorities. The strategy states that this would also include SAFE and Russian Trust Funds, and World Bank’s analytical and advisory services, trust fund, and guarantee program. The intent was that PEMPAL was to form an integrated package of services and products available to member countries to advance their reform priorities. This could be considered when clarifying products and services produced by PEMPAL as envisaged under output objective 2.   **Three indicators in place** with summary of performance status presentedbelow with more detailed analysis provided in Attachment 3**:**   1. **Number of Ministers/Deputy Ministers and other high level officials attending or opening events** (NEW). No target identified. The number of ministers and deputy ministers attending and opening events was a new indicator established as part of the strategy. Data was collected specifically for this review, through membership analyses, and through COPs providing examples of attendance and support. Thus, data collection and monitoring needs to be strengthened, noting issues were experienced with quality of data in Secretariat’s membership database during review analysis.  * Performance: **Satisfactory.** With increasing trend of more member countries hosting events, there is evidence from COPs that this has led to increased senior official involvement. Twenty three events were hosted by the member countries over the last three calendar years, with quotes of support from senior levels provided by COPs as evidence. Improved collection and reporting of information for this indicator is required.  1. **Awareness of high level officials of PEMPAL activities**. No target identified. To be verified by independent evaluation results according to strategy which was outside scope of this internal review.  * Performance: **Satisfactory.** Importance of awareness of particularly political levels was emphasized in 2012 external evaluation results to facilitate attendance at events; to ensure stronger connection between countries’ policy priorities and the COP work agendas; and to facilitate the needed political will to implement reforms. IACOP was reported as acknowledging the importance of political support explicitly in its strategic thinking, by keeping Ministers informed of progress and results and inviting them to events, where relevant. Since 2011, contact with political levels has been improved with coordinated thank you letters to Ministers advising of results and progress of all COPs. General improvements also evident in marketing and communication approach developed and implemented by Secretariat. Despite this progress, SECO would like more focus on raising awareness at these levels. Options that could be considered include developing positions on certain key PFM issues on a PEMPAL basis and feeding them into international policy deliberations as CABRI did on aid transparency, or showcasing PEMPAL at annual Washington meetings for example.  1. **Views of senior officials about value of engaging with PEMPAL to their country and its role in facilitating PFM change**. No target identified (qualitative information required). To be verified by independent evaluation results according to strategy which was outside scope of this internal review. COPs were asked to collate examples of views and awareness of senior officials about value of engaging with PEMPAL to their country. Views from 2012 evaluation, also indicate positive feedback about value of PEMPAL. The key to this value was reported as the opportunity to learn from other countries, including mistakes made to assist in avoiding them in reform design. The benefit for individual professional advancement was also highlighted, with one country (Croatia) indicating that the impact of reform development of PEMPAL on more advanced countries would be limited, although benefits for individual and organization still hold (this has been addressed during strategy period by COPs ensuring they provide differentiated services). Senior officials who had hosted events also indicated value of being put under scrutiny of regional peers, to be able to showcase progress, and to provide opportunities for networking.  * Performance: **Satisfactory.** Positive views evident from examples provided by COPs   **Suggested improvement initiatives:** (Refer to the Table after the report’s conclusions for the final list prioritized and approved by the PEMPAL Executive)   * Steering Committee to provide views on whether it wants to invest resources into a feasibility study on the benefits and costs of establishing a more formal network of national PFM institutions. * Options to raise the profile of PEMPAL could be considered such as developing policy papers on certain PFM issues or undertaken cross-COP joint regional work and feeding results into international policy forums (to be considered in the context of future strategic planning processes and PFM assessment collation work). * Options of entering into more formal or informal agreements with member countries should be explored including feasibility of member fees and/or cost sharing.   **External Risk Factors and Mitigating Strategies.** Three factors identified in the strategy. No negative impact from any of these risk factors is evident for the review period. The last risk is assigned to an action that has not happened yet.   * Individual members and target agencies play an active role in promoting the benefits of PEMPAL services and products – **Risk assessed as low** given evidence from success stories indicate members currently playing active role in promotion, and encouraged to do so. * Ministers and high level officials wish to be engaged with PFM reforms being addressed by PEMPAL – **Risk assessed as low** given evidence of high and continuing interest in PEMPAL (in regards to continuing support to send staff to events and as indicated in feedback and quotes from senior officials provided by the COPs). * PEMPAL will be allocated time at the annual Washington meetings. Ministers and Deputy Ministers will be interested in a ministry to ministry network and resources are available for feasibility study. **Risk not assessed**, given no progress has been made on this action. |

# Attachment 3: Individual Performance Indicators – Detailed Summary of Progress

**STRATEGY GOAL/IMPACT – PEMPAL member Governments from Europe and Central Asia more efficiently and effectively use public monies resulting from applying new PFM practices**

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| 1. **Cases of applciable good practice using PEMPAL learnings (qualitative assessment).**   Means of Verification: surveys or cases of changes in national PFM systems in national PFM systems (eg success stories).  No target set.  Last network wide initiative undertaken by Secretariat in 2011 (refer <http://www.pempal.org/success-stories/> ) Most success stories were collected from perspecitve of individuals (largely from IACOP), with only one country case study presented for Moldova (again for IACOP), refer part 2 of success story publication. Increase in success stories evident from TCOP and BCOP as part of this MTR review exercise, compared to those collected in 2011. |
| **Status of Progress and Performance:**  **Success stories were provided by the COPs which showed evidence of improved PFM practices that were fully or partially attributable to PEMPAL,** in a range of areas such as budget transparency, wage bill management, management of EU funds, portal solutions for treasury systems, strengthening legislation, training and certification, internal audit methodologies and developing policies, guidelines and manuals**.**  **Concrete examples were provided by 6 (BCOP)[[60]](#footnote-61) and 10 (TCOP) countries** (Attachment 2a, 2b, Information Annex). IACOP did its own survey measuring impact of its activities reported under performance indicator 2 below.  **However, there is no effective, systematic approach to collecting success stories across PEMPAL**. In regards to network wide strategies, the Secretariat produced a publication back in 2011 which collated such stories and ongoing feedback is currently collected from on-line surveys. However, this feedback through the survey tool is often impeded by lack of comprehensiveness including difficulties in identifying the country source, unless it is clearly specified (given the surveys are distributed on an anonymous basis, to encourage frank feedback). In terms of COP specific strategies, IACOP has an enabling group - ‘Value Detectives’ - dedicated to collecting success stories which are posted on its wiki, [[61]](#footnote-62) and the online surveys are used by all COPs after major events, which ask for how the learnings and work of the COPs are being utilized. However, these current approaches do not result in standardized information that can be used on a network wide basis in promoting or providing evidence of the benefits of PEMPAL. Thus, more systematic processes should be explored, including drawing on practices from IACOP and other networks. For example, CABRI employs a Harvard University technique of learning journals which could be explored for its applicability to PEMPAL. |
| 1. **Accurate and verifiable information on the application of PFM good pratices.**   Means of Verification: External evaluations on changes in national PFM systems attributable in whole or part to PEMPAL activities. Pre-meeting thematic surveys.  No target set.  Last external evaluation completed 2012, which found 13 to 15 countries indicated that activities of PEMPAL had positively influenced their PFM systems. No exernal evaluations conducted since these results for comparison but similar results achieved (12 countries) in internal IACOP survey. Results from proposed internal TCOP survey were not available at the time of preparing this report although they are scheduled for completion in May 2015. Thus, BCOP and TCOP have no comparative data although evidence of several pre-meeting surveys on specific thematic areas provided, which documents application of PFM good practices, but no information available on progress of reforms over time from these surveys. BCOP also participated in external OECD survey which documented budget practices and procedures in 2013-14 but no information available on how the results used, to inform reform programs. |
| **Status of Progress and Performance:**  Conducting an external survey was outside the scope of this review. However, the COPs have done some survey work to measure the impact of their activities on PFM systems in their member countries:   * IACOP implemented an internal COP survey which asked countries to **estimate the impact of IACOP on reforms resulting in 12 out of 18 member countries indicating significant impact (above 75% recorded by 9 member countries) to high impact** (between 45-75% recorded by 3 member countries) with a further 5 indicating moderate impact (between 15-45%). Only one country indicated low impact[[62]](#footnote-63) (Attachment 2c, Information Annex). Difficult to compare these results to 2011 IACOP survey results as the 2011 survey focused on specific reforms (eg establishment of policy and legislative framework; and establishment, training and certification of internal auditors) as part of implementation of Internal Audit function in many countries (driven by EU requirements). Thus, internal audit work program was designed to support these reforms, thus more easily able to attribute successes direct to IACOP work. * **TCOP were implementing a similar survey in 2015, the results of which were not available** at the time of preparing this report. * **BCOP participated in the external OECD budget practices and procedures survey in 2013-14** which benchmarked practices of 13 of its member countries against 33 OECD member countries. This resulted in a report that identified good practices within both regions including highlighting where practices were not within international agreed targets. There was no data available from BCOP on how the results of this work were used, although results were widely distributed at OECD SBO meeting, BCOP plenary meeting and posted on the public website. The report is available at <http://www.pempal.org/event/eventitem/read/112/311>   **TCOP and BCOP undertake pre-meeting thematic surveys to ascertain status of reforms in issues under discussion**. This enables benchmarking between countries and the identification of opportunities for improvement, including information the development of event agendas.  **For BCOP, surveys have been conducted on program budgeting, results-based monitoring and evaluation, fiscal consolidation, wage bill management and budget literacy**. These surveys have proved effective to enable countries to benchmark against each other, and to identify those at similar and advanced stages of reform in the area under discussion, to facilitate sharing of information and discussion of common problems/solutions. The results of the surveys, also assist in the design of the agenda, and the identification of discussion group questions, held during plenary meetings. However, surveys on the same topics have not been conducted to determine progress with any reforms over time.  **For TCOP, there were several surveys conducted from 2012: financial management information systems implementation; on integration of budget classification and chart of accounts; on public assets accounting; and on financial reporting consolidation**. The analysis of these assessments allow the TCOP Executive Committee and the resource team to identify the most appropriate country cases to be discussed and most relevant speakers to be invited to the TCOP events. TCOP used the same approach for developing the 6 TCOP thematic groups’ Action Plans. In order to identify the scope of work of the thematic groups, each member country has pointed the issues of priority interest for them to be addressed within the groups. Also, the members indicate which country cases are most relevant to the status of reforms implementation in their countries. Based on this information relevant Action Plans were developed and implemented by each of thematic groups. |
| 1. **PEFA indicators and other PFM related assessments.**   Means of Verification: Independent evaluation reports, IBP Open Budget Index, World Bank, IMF EC reports; country government evaluation reports.  No targets set, baseline information not relevant in this case.  COPs requested to provide examples of improvements in internal and external PFM assessments which could be attributable partly or fully to PEMPAL.  Some examples provided but no information provided on how improvments were attributable to PEMPAL. Identified strategy risk factor impeding results under this indicator (ie improvements in PFM practices are easily measured by available, comprehensive and upt ot date assessments of PFM quality). |
| **Status of Progress and Performance:**  **Relating improvements back to PEFA indicators and other PFM related assessments was difficult with only two countries from BCOP (Russian Federation and Kyrgyz Republic)[[63]](#footnote-64) and IACOP (Armenia and Kyrgyz Republic)[[64]](#footnote-65); and seven countries from TCOP** (Azerbaijan, Georgia, Albania, Russian Federation, Kazakhstan, Kyrgyz Republic and Kazakhstan),[[65]](#footnote-66)providing a list of indicators that PEMPAL has impacted, but caution was expressed as to attributing improvements in such indicators, given many factors impact on a country’s PFM system (Attachment 2, Information Annex). This information was collected by COPs, as part of the data requirements for their submissions to the review.  **If the terms and conditions that contribute to PFM development in each member country were identified, this could facilitate targeting of PEMPAL products and services.** The Ministry of Finance of the Russian Federation believes knowing such terms and conditions would provide a valuable basis to better understand how PEMPAL may be able to assist to strengthen budgetary reforms at the national level. As a first step to implementing this suggestion by the Russian Federation, a compilation of available PFM assessments could be prepared which identifies strengths and weaknesses which are verified by member countries. This report could be prepared in the lead up to the next cross-COP executive meeting in 2016, to assist the PEMPAL executive target future priorities, including cross-COP initiatives. Different modes of delivery could also be explored, such as case clinics, and peer assessments drawing on models used by TCOP, IACOP, CABRI, and other networks.  ‘*Although issues that countries are facing are similar, there are no universal concepts to public finance reform. Every reform has to look at the cultural background, institutional set-up and country capacities and needs. Good reform design is critical for economic growth and social welfare, and what really matters are the results on the ground’* Source: Submission to review by Russian Federation (Attachment 1b, Information Annex).  **Increasing use of smaller working group/study visit formats is proving to better target member needs**. The format involves a sub-set of countries working together on a specific thematic issue. Currently there are 6 working groups in TCOP, 2 in BCOP and 5 in IACOP. More regular meetings are involved, which are usually held via video-conferencing or other on-line tools. A member country leads the discussion and agenda development (with the assistance of the resource teams) and tools and knowledge are created that directly relate to the work of member countries (eg IACOP’s guidelines and manuals on internal audit; wage bill management forecast model for BCOP). |

**OUTCOME – A sustainable, professional public financial management platform through which individual members are networked to strengthen their capacities and enable them to share learnings and benchmarking between countries**

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| 1. **New and improved skills, knowledge,professionalism in PFM practices (as assesed by Ministers and Heads of Organizations)**   Means of Verification – External independent evaluation reports (where Ministers and Heads of Organizations are surveyed on the benefits experienced to the organization of sending their staff to PEMPAL).  No target set.  Conducting an external independent evaluation outside scope of this review, however quotes from senior officials and MTR internal survey results used.  **Baseline information**:   |  |  |  |  | | --- | --- | --- | --- | | Survey Results | BCOP | TCOP | IACOP | | 2012: % who have used network to design, recommend or implement PFM reform | 25% | **13%** | 45% | | 2015: % who have used network to design, recommend or implement PFM reform | 29% | **37%** | 36% | |  |  |  |  | | 2012: % indicating they are likely to in the future | 75% | 87% | 55% | | 2015:% indicating they are likely to in the future | 67% | 53% | 52% |   2012 independent evaluation results[[66]](#footnote-67) used and compared against results of MTR 2015 internal survey. Increases in percentage of members who have used the experiences of fellow COP members or other learnings in the COP to design, recommend, or implement PFM reforms in the area of practice evident for both BCOP and TCOP, particularly TCOP. Survey results indicate some decrease for IACOP between 2012 and 2015, which may be a reflection of the finalization of EU driven reforms of establishing policy and legislative framework and internal audit related units in some member countries. Also 2012 survey results indicated that IACOP was more advanced than the other COPs, with subsequent recommendations being established and implemented for the other COPs.  Likelihood of implementing such reforms in future, show decreases across all COPs between 2012 and 2015, although offset by increases for TCOP and BCOP reported above. Around half of TCOP and IACOP 2015 survey respondents indicated they are likely to use learnings in future to design etc reforms, with BCOP reporting a larger proportion (67%). This result is influenced by not all members being a position to drive reforms and also the significant proportion of participants whom attend PEMPAL as a one-off event (the latter was managed in the 2015 survey results by sending survey to those who had participated in two or more events ie as defined as a ‘member’ thus survey results not directly comparable).  No respondents reported they are unlikely to use PEMPAL knowledge in future in 2012 survey results although there were some reported in 2015 survey results (9 people in total). |
| **Status of Progress and Performance:**  **Quotes and letters of support from senior officials show evidence that they believe PEMPAL is contributing to improved skills, knowledge and professionalism in PFM practices in their countries.** This support is essential to the sustainability of the network to ensure such officials continue to approve participation of their staff in PEMPAL(quotes collated in Attachment 4). There is also evidence of increased engagement of officers at senior levels participating in the network (refer Action 11 below). Members were also asked for examples of value and impact in the member survey, although the format and comprehensiveness of responses was limited by the survey approach. These examples from members have also been collated in Attachment 4.  **Although feedback from members was positive regarding satisfaction with PEMPAL provided opportunities and learning (refer indicator 2. below), it did suggest that there could be improvements in translating those learnings into changed practices in the work environment**. From MTR survey results, on average members rated the following opportunities very positively scoring around 4.4-4.6 out of 5 across all COPs: to build relationships with peers in the region; to build a knowledge base in their area of expertise including how the function is managed across different countries; and being able to bring back learning from COP events and share it with their organizations. Although scores were still very positive, scores were lower (3.9-4.2 out of 5), when assessing if that learning had changed their practice or enabled them to work better in their work environment; or whether it changed the way their organization thinks about an area of work. (Attachment 9, Information Annex). This highlights that PEMPAL could still strengthen their activities to better target improvements in PFM reforms in member countries. These are discussed throughout this paper, including collating PFM assessments for each member country to better understand strengths and weaknesses, and expanding network delivery strategies such as case clinics (used by TCOP and IACOP but not by BCOP), and investigate approaches used by other networks (Attachment 10, Information Annex CABI’s use of learning journals.)  **Around a third of members reported that they have designed, recommended or implemented PFM reforms using the experiences of fellow COP members or from learnings gained through the COP. Further, over half in TCOP and IACOP, and over two-thirds in BCOP, indicated they were likely to in the future**. From the MTR survey results, 29% of BCOP, 37% of TCOP and 36% of IACOP members responded yes to having designed, recommended or implemented PFM reforms using PEMPAL, with responses from Executive Committee members much higher. This showed significant improvement from 2012 external survey results for TCOP (from 13%), some improvement for BCOP (from 25%) and a decrease for IACOP (from 45%). In the MTR 2015 survey, a large proportion also indicated that they were likely to use their experiences in the future (67% BCOP, 53% TCOP and 52% IACOP) compared to the 2012 external survey results of BCOP 75%, TCOP 87%, and IACOP 55% showing some decreases in BCOP and TCOP (offset by the increases of people reporting they actually have used the learnings, and similar results between the two surveys for IACOP).  In 2012 external survey, no one responded that they were unlikely to not use the learnings in the future. In the 2015 internal survey, only one respondent from BCOP, and four from both TCOP and IACOP indicated that they were unlikely to use their experiences in the future. Of note is that two IACOP Executive Committee members indicated that they were unlikely to use the experience to implement PFM reforms in the future (compared to no BCOP or TCOP Executive members indicating this), although this may reflect their positions in their organizations, and their lack of direct authority to affect such change |
| 1. **Satisfaction of individuals with opportunities for sharing and learning provided by the network.**   Means of Verification – individual member feedback gained through post meeting surveys. Independent evaluations.  No target set.  Baseline value: CY 11 Overall satisfaction with events: 4.2 to 5.0/5.0; learning from experience of other participants: 3.9 to 4.7/5.0  CY 12 4.6 to 5.0/5.0 4.2 to 4.4/5.0  (Source Annual CY 13 4.3 to 5.0/5.0 4.0 to 4.6/5.0  Reports) CY 14 4.6 to 5.0/5.0 4.1 to 4.8/5.0    Survey ratings remain consistently high. |
| **Status of Progress and Performance:**  **Over the strategy period, overall satisfaction ratings have remained consistently high ranging from 4.3 to 5.0 out of a possible 5.0 ranking**. (Refer Table 1, Attachment 1) and showed an increase between CY13 and CY14 (Secretariat Annual report – refer chart in report body). However, response rates to surveys have been declining over time across all COPs, although the average over the last few years remains relatively high at 64% (comprised 62% BCOP, 72% TCOP, and 59% IACOP). Forty five surveys have been sent to members during the strategy period and year to date to April 2015, with similar numbers issued by each COP (13 to 15 in total each). Further for the member survey distributed specifically for the review, response rates were low although they were assessed as reasonable for these types of review surveys.[[67]](#footnote-68) Options could be investigated as to why response rates are falling, and strategies implemented such as streamlining surveys to include less questions, using other mechanisms such as ‘enabling groups’,[[68]](#footnote-69) or conducting the online surveys at the events rather than after the event. |

**OUTPUT OBJECTIVE 1**

PFM priorities of member governments are addressed by the PFM network platform.

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| 1. **COP Action Plans approved by Steering Committee by February each year**   Means of Verification: Steering Committee minutes (discussion and approval of COP Action Plans)  Target achieved as reported for FY12, FY13 and FY14 over strategy period. |
| **Status of Progress and Performance:**  **All COPs have used the PEMPAL Strategy as the basis for their action planning processes and network improvement initiatives** since the strategy’s approval in 2012. However, moves to more formally standardize the reporting of such linkages has only recently been adopted by BCOP who has used the TCOP format for its FY16 plan. TCOP has been using this format since its FY12 plan which was developed in response to the strategy. IACOP have yet to link its current 2015-17 plan to the strategy but will do so after the results of a current strategic planning process are completed in June 2015. However, IACOP’s original action plan 2012-14 developed just after the strategy’s approval, was aligned with the strategy. (Steering Committee meeting minutes, Attachment 7, Information Annex; COP submissions, Attachment 2, Information Annex).  **The current donors suggested a number of improvements to the content of the action plans and how they are presented to the Steering Committee.** In SECO’s view, the action plans have weakened in terms of content over the last years and have become too general without rationale and linkages to strategic objectives and plans. BCOP took this recommendation on board and has since revised its plan in accordance with the format of TCOP. The Ministry of Finance of the Russian Federation has also noted that when COP chairs present their plans to the Steering Committee, more comprehensive information should be provided. (Donor submissions, Attachment 1, Information Annex). |
| 1. **Number and type of cross COP exchanges**   Means of Verification: PEMPAL Performance Indicators (attendance and satisfaction), post event survey reports  No target set.  Baseline information: CY2012, 1 cross-COP executive meeting held.  CY 2013: 1 cross-COP executive committee meeting held. CY 2014: 1 cross-COP member meeting held. CY 2015: 1 cross COP executive committee meeting planned.  Eight Steering Committee meetings from mid June 2012 to end December 2014. (Refer Attachment 7, Information Annex). Evidence that such meetings held regularly (on quarterly basis).  No joint projects or identified synergies provided as evidence. Some data on COP participants attending other COP events, but not comprehensive. |
| **Status of Progress and Performance:**  **There are formal and informal mechanisms in operation that promote and facilitate cross-COP exchanges**. The COP Executive meet face-to-face on an annual basis and all members are brought together every 2-3 years. Other formal mechanisms for cross-COP exchange include: quarterly Steering Committee meetings whereby the COP Chairs and/or Deputy Chairs participate; sharing of meeting minutes and action plans; and access to a common library and website where all documents are stored.  **During the strategy period, there have been three, formal cross-COP meetings: Paris (Sept 2012); Bohinj (2013) and Moscow (2014)** with the first two involving the COP Executive only, and the last one involving all members. The Paris meeting discussed the finalization of the PEMPAL Strategy and results framework including showcasing France country case. The Bohinj meeting discussed preparations for the cross-COP meeting held in Moscow 2014 which resulted in the topic of fiscal transparency and accountability being chosen and specific COP inputs being identified. In addition event feedback mechanisms were discussed which resulted in a more standardized post event survey mechanism being adopted. The Moscow meeting resulted in COP and country plans for improvement in fiscal transparency and accountability.  **There has been instances of COP members attending events of other COPs although there are no formal mechanisms in place to capture this data**. From the COP submissions, during the strategy period, TCOP representatives have attended two IACOP events and one BCOP event. BCOP has invited TCOP members to a number of events if they assessed the event as being potentially relevant. BCOP is also exploring with TCOP a possible joint event on government accounting and reporting and has included it in its FY16 plan. Despite these activities, it was reported that no BCOP member attended other COP events during the strategy period. IACOP representatives have attended several TCOP events during the strategy period, but the COP was depending on the statistics to be kept by the Secretariat to provide more specific details. In the future, such exchanges should be captured within an approved template to ensure future reporting is made easier, and is not dependent on memory or analysis of past List of Participants. It should also be reported in the annual report along with other participation statistics.  **Both current donors have indicated that the communication exchange is weak between COPs and needs to be improved in terms of more regular exchanges and identification of synergies (**refer Attachment 1 of the Information Annex). The Ministry of Finance of the Russian Federation recommends that informative reports from COPs be introduced to the Steering Committee agendas, with these reports to focus on results and core issues of COP activities. This will help the Steering Committee to form an opinion about work effectiveness and realize impact of these activities. This will enable the Steering Committee to have a better understanding of the real work of the COPs and any problems, and would be then easier to understand what measures would be useful to strengthen their activity and what must be done for their more effective future work. SECO believe that exchange and identification of synergies between COPs could be further strengthened, and the 2014 Moscow, cross-COP meeting showed that members were interested in such exchanges. However, the COPs should now follow through with concrete actions.  *Initiated activities related to the complex area of public finance management should be intensified through joint collaboration of all three CoPs.* Source: IACOP suggestion through member survey. |
| 1. **Confirmation that reform areas identified are aligned with respective Government priority areas**   Means of Verification: COP Executive Committee minutes (on process of prioritization). Feedback in response to PEMPAL surveys. For MTR purposes, COPs were asked to provide evidence in their submissions to the review of how the prioritization process was undertaken and if it had evolved over the strategy period.  No target set. Baseline information not relevant.  Confirmation given that reform areas identified are aligned with priority areas. |
| **Status of Progress and Performance:**  **Feedback and evidence provided by COPs indicate that COP plans are aligned as much as possible to country priorities.** BCOP consult all members face-to-face in its annual plenary meeting; and TCOP and IACOP conduct member surveys. In addition, TCOP and BCOP also develop concept notes to support the agendas, which members provide input, to ensure needs are met. TCOP also uses information gained from post-event evaluation surveys, to identify possible future events. IACOP uses ‘agenda activists’ during events who have the responsibility to identify future priorities in conjunction with other community building approaches to ensure maximum feedback and ownership of members for agenda and event development (fish bowl, world café, role plays). COPs also provided evidence of senior officials affirming this alignment through several quotes (refer Attachment 4).  **There is an increasing use of smaller working group formats to better meet the needs of members, and these groups also have action plans.** TCOP has 6 such groups and IACOP 5. BCOP established its first working group in FY15 and plans two more in FY16. The format involves a sub-set of countries working together on a specific thematic issue. More regular meetings are involved, which are usually held via video-conference. The increased use of video-conferencing and other on-line tools has facilitated more frequent meetings on issues using this small group format. Other network service delivery formats could also be investigated such as those used by CABRI, whereby specific problems within member countries are identified and a panel of peer member country representatives visit the country with a view to jointly identifying options and solutions (ie similar in format to case clinics, which TCOP and IACOP also periodically use).  **Processes to prioritize activities are common across COPs and consist 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.  **TCOP and IACOP have COP specific strategic plans that identify specific areas to focus over the coming years, which are inked to their action plans.** Although BCOP has identified priority areas in its action plan, **BCOP does not have such a plan**, but hopes to initiate discussions in FY16 and develop a 3-5 year strategy from FY17. This could also be done in conjunction with the network wide strategic plan that needs to be developed to cover the five year period past the current strategy. Different timeframes, processes and formats have been adopted by TCOP and IACOP for their strategic plans eg IACOP uses scorecard approach. There is merit in standardizing the approaches and doing them jointly, particularly to strengthen cross-COP exchanges.[[69]](#footnote-70) |
| 1. **COP Action Plan budget verses actuals**   Means of Verification: Secretariat budget progress reports.  No target set.  Baseline data: CY2013 used, given reporting by Secretariat done on that basis. Refer graph below.  Actual spending under COP budgets for FY13, FY14 and FY15 is within limits approved by Steering Committee. |
| **Status of Progress and Performance:**  **The Secretariat confirms that COP Action plans have been implemented in accordance with approved budget management guidelines during the strategy period July 2013 to December 2014**. (Attachment 8, Information Annex for collation of evidence of Steering Committee minutes). However, the Secretariat reports that for the period July 2012 to June 2013, the Steering Committee was unable to take decisions due to unfinished formal procedures relating to donor funding. Thus COPs proceeded with only indicative approval for one FY until contributions were officially transferred to the World Bank administered multi-donor trust fund.  **There is evidence of growing budget management skills by the Secretariat with COPs increasingly becoming involved.** However budget management has been impacted negatively by the need to confirm availability of sufficient donor funding and the trend of holding meetings in different, regional locations where cost structures are not known. There is evidence of conservative budgeting by the Secretariat (ie applying for the maximum amount of funding under event Purchase Orders, given it is difficult to apply for additional funding after preparations begin, if the funding is found to be insufficient). This has led to underspending of COP budgets across the strategy period (refer graph).[[70]](#footnote-71) However, this has been addressed by the Steering Committee approving reduced budgets and strengthening budget management guidelines, and COP Executive Committees becoming more closely involved as evidenced by some COPs utilizing reallocation provisions to better manage their budgets. Negotiation skills of the Secretariat have also improved with the rise in meetings being held in different international locations (13 different locations in both 2014 and 2013, and 11 in 2011 – Refer Attachment 1 for table of locations in 2014, to illustrate intensity and complexity of event planning). However, with the interim and new Secretariat arrangements to be put in place from July 2015, this progress may be impeded. COP action plans were also costed in the strategy at USD 450,000 each with deductions in the later years, to accommodate the introduction of member contributions. These forecasts have been revised in light of COP budget actuals and revised timeframes for consideration of member contributions.  **Plans are monitored through regular meetings of the COP Executive Committees and reports made by COP Chairs/Deputy Chairs to the Steering Committee.** The Executive Committees meet at a minimum once every quarter to monitor the implementation of action plans, with TCOP meeting every two months. Standardized post-event surveys are also distributed after most events by the World Bank survey expert, in consultation with the COP resource teams and Executive Committees. These feedback survey reports assess the level of effectiveness and usefulness of participation in activities included in the plans, and give the opportunity for members to identify improvements. IACOP also utilize ‘enabling groups’ which empower members to collect feedback within events.  **Some COPs also do their own reviews to determine if the objectives in their plans have been met**. TCOP plans to assess how activities contribute to the achievement of the PEMPAL TCOP strategic objectives and the performance indicators identified within. A report on performance is currently under preparation and will be discussed at the May 2015 plenary. Every three years, IACOP conduct surveys to monitor the progress of reform implementation and to assess the effect and impact of IACOP to internal audit reforms in member countries. Such assessments were undertaken in 2011 and 2014. No such periodic assessments – apart from the normal post event and technical thematic surveys – have been conducted by BCOP.  **Network wide, external evaluations are also conducted to ensure PEMPAL is meeting its strategic objectives and issues are identified and addressed.** Such evaluations were undertaken in 2006 (to establish the evaluation methodology for the program) and 2012 (to assist with the development of the PEMPAL strategy). It would be valuable if such an in-depth evaluation was again conducted to assess the overall impact of the PEMPAL Strategy and the results fed into the development of the follow on strategy for 2017-22. |
| 1. **COP Action Plans foreseen events verses actual events.**   Means of Verification: Reports on individual events under the action plan. Secretariat progress reports/meeting reports.  No target set.  Baseline information: FY 2012, all individual events were implemented. Similarly reported for FY 2013 and FY 2014. |
| **Status of Progress and Performance:**  All events foreseen in the COP Action Plans as approved by the Steering Committee were reported as implemented across the review period. |

**OUTPUT OBJECTIVE 2**

Quality resources and network services, supporting relevant PFM practices, are provided to members

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| 1. **Number of events (plenary meetings, working group meetings, study tours)**   Means of Verification: PEMPAL performance indicators (PEMPAL Annual Reports used).  No target set.  Baseline Information: CY 2012 used as reported below.   |  |  |  |  | | --- | --- | --- | --- | |  | CY 2014 | CY 2013 | CY 2012[[71]](#footnote-72) | | Total Events | 27 | 26 | 16/13 | | * Plenary meetings (all members/Exec members) | 4 | 3 | 8/8 | | * Small group meetings | 10 | 9 | 6/3 | | * Study Visits | 5 | 8 | 2/2 | | * Video-Conferences | 8 | 6 | 0 | | PEMPAL  Participants | 831 | 600 | 505/434 | | Resource Teams/International Experts | 160 | 241 | 125 |   Significant growth in events evident over the strategy period particularly in use of video-conferences and move from plenary meetings of all members to more targeted small group meetings for a sub-set of member countries. |
| **Status of Progress and Performance:**    **The number of events has significantly risen over the strategy period from 16 in 2012 to 27 in 2014, driven by the increased use of video-conferencing**. When collecting the information, there was an issue with monitoring the number of videoconferences, as some COPs did not involve or inform the Secretariat about these meetings. Thus, it is important that standardized information – through the distribution of a template requesting information on date, number of participants, countries involved, objective, results, for example – be collected and reported. Other online, meeting tools are also starting to be utilized (eg WebEx, GoToMeeting), and supporting reporting processes need to be established to ensure the information is captured, including what type of technology platform is used.  **Total participation in PEMPAL increased by 65% over the strategy period**, increasing from 505 in 2012 to 831 in 2014, again being driven largely by increased smaller, format working group events, utilizing video-conferencing to meet more regularly. Also the way the Secretariat counted participants (by location) was changed in CY2012 to participants by agenda, to improve the quality of measurement. |
| 1. **Satisfaction of participants on the quality of PEMPAL products and services**   Means of Verification:PEMPAL performance indicators. (For MTR purposes, MTR survey results used).  No target set.  Baseline information from 2012 external survey results:  Use of materials  IACOP respondents reported highest use of materials across the board.[[72]](#footnote-73) For 2015 internal survey, IACOP respondents again reported highest use of materials (in total 34 people used various materials more than 6 times a year, compared to 13 BCOP and 9 TCOP survey respondents reporting such use). However, 38 BCOP and 50 TCOP respondents reported using various materials between 4-6 times a year (similarly for IACOP who reported 38 members in this category).[[73]](#footnote-74)  Quality of materials   |  |  |  | | --- | --- | --- | | Proportion of respondents rating materials quality to high quality | 2012 | 2015[[74]](#footnote-75) | | Resources on website | 80% | 80% | | Presentations and other inputs at events | 91% | 95% | | Country exchange inputs | 74% | 82% | | Tools and other materials | 88% | 92% |   Satisfaction levels with quality of materials remain high and show increases on most material types between 2012 and 2015 survey results. COPs adopt a wide range of approaches to ensure services are differentiated for countries at differing reforms levels. More targeting of support could be done, if current status, strengths and weaknesses of each member country known (as suggested by MoF Russian Federation). |
| **Status of Progress and Performance:**  **The usefulness of materials provided by PEMPAL was rated positively with evidence of the different types of materials being used across all COPs from 1-6 times a year**. Survey evidence from 2012 and 2015, suggest IACOP members use materials most frequently possibly reflecting the continued focus on development of manuals and guidelines to support internal audit reform implementation.  **Those that were reported as never being used by several respondents to the 2015 MTR survey included country materials in the library** (27%, BCOP; 20% TCOP; and 26% IACOP respondents). Executive Committees[[75]](#footnote-76) reported differently on usefulness of materials reporting using most (TCOP, all) material types. However for BCOP, three of the seven respondents reported never using country materials in the library. This could be due to BCOP wiki being used as a repository for technical country materials, as instructed by the BCOP Executive Committee thus members may depend more on that to source materials rather than the PEMPAL library although survey feedback did not indicate wiki was being used. Within the qualitative comments in response to the review survey, members also provided examples of how they used knowledge products and resources although the format and comprehensiveness of their responses was limited by the nature of the survey instrument (refer Attachment 4).  **Materials provided by PEMPAL were rated quality or high quality by the majority of respondents to the review survey, showing an improvement in most categories, since the 2012 external survey results.** However some members expressed concerns about the mixed quality of some material types.20% of IACOP members rated the website and 17% country exchange inputs of mixed quality. Similarly with TCOP, 11% rated the website; 13% country exchange inputs, and 9% tools mixed quality. Similarly with BCOP, 18% rated the website; 19% country exchange inputs mixed quality. Executive Committees were more positive with only one member (out of 8-9 members) from each of the COP Executive Committees viewing materials of mixed quality. From individual event surveys, there has been concerns expressed that country case studies can be too general with requests for more technical details to be provided. Some COPs have been addressing this by providing presenters with presentation templates to ensure the information is targeted and useful; and seeking additional country technical materials and papers in support of presentations. Presenting information via PowerPoint also has its limitations so other mediums could be explored.  **COPs adopt a wide range of approaches to ensure services are differentiated for countries at differing reforms levels**. For BCOP and TCOP, thematic surveys are used before major events to determine the status of reforms and to identify which country case studies will assist countries at various reform stages. More advanced countries share their approaches with less advanced countries, and countries identified as having good practices from outside the region are also showcased. Questions for discussion groups are designed so all countries can participate despite the status of reforms. Study visits and smaller working group formats are also used to group countries with similar needs or issues. In particular the working group format has been used by TCOP and the development of the action plan for these groups, require members to indicate which country cases are most relevant to the status of reform implementation in their countries. For IACOP, surveys ascertaining level of reform status have been periodically undertaken and have shaped the activities in the action plans to ensure different needs are catered for. Strategies have including conducted parallel thematic meetings, and facilitating study visits and quality assurance missions for countries who request them. Important discussions and decisions are also video-recorded and wiki is used extensively to provide resources for countries at differing levels.  **More targeting of PEMPAL support could be done, if the current status, strengths and weaknesses of each member country PFM systems is known**. The Ministry of Finance of the Russian Federation recommends this, as outlined under the goal/impact section of the results framework and in its submission to the review (Attachment 1a, Information Annex). How products and services are differentiated by other networks such as CABRI may also provide useful information. As part of the next network wide strategic planning process, consideration should be given to identifying product and service types and modes of delivery (as has been done by CABRI), and brand these as part of the marketing and service delivery strategy. Effective services are already provided by PEMPAL, but they could be identified and presented more consistently on a network wide basis. |
| 1. **Number of PFM thematic experts to support events on specific topics**   Means of Verification: PEMPAL performance indicators (For MTR, annual report information used)  Not target set.  Baseline CY 2012:125   |  |  |  |  | | --- | --- | --- | --- | |  | CY 2014 | CY 2013 | CY 2012 | | Resource Teams and International Experts | 160 | 241 | 125 |   Increase evident since baseline. |
| **Status of Progress and Performance:**  **PEMPAL has facilitated access to 526 international experts and resource team members from CY 2012 to CY 2014.[[76]](#footnote-77)** The drop in the number of experts from CY 2013 to CY 2014, reflects the increased use of working groups whereby the countries are more actively engaged in delivering the agendas, with each group is led by a resource country who is lead expert. |
| 1. **Value added by PFM thematic experts**   Means of Verification: PEMPAL performance indicators. (MTR survey used).  No target set.  No baseline information available. Ad hoc qualitative feedback is provided by some respondents in post-event surveys on the value of particular speakers.  MTR survey results indicate high satisfaction. |
| **Status of Progress and Performance:**  **In the COP submissions, the Executive Committees rated the support from technical Resource Teams as highly satisfactory**. Resource teams comprise the core teams that provide the day to day support for event preparation, and the thematic experts, which are engaged depending on the technical needs of the topic under discussion. Currently BCOP has four core members, one of which provides thematic support; TCOP and IACOP have four core members, two of which provide thematic support. Representatives from the Dutch Academy, OECD Sigma, Poland, Estonia, and South Africa have also provided significant support to IACOP at various times.  **COP core support has stayed relatively constant throughout the strategy period** except BCOP engaged an additional core member for the specific purpose to assist in the technical requirements of the wage bill working group from 2014. The core teams are sourced from, or engaged through, the World Bank on a part-time, as needed basis. OECD Sigma were also members on the resource teams up until 2012, but funding and limited time availability impacted severely on their ability to effectively contribute until the decision to withdraw formally from the network. BCOP has made an explicit request that the core resource team continues to coordinate and provide such technical services, given the lack of time available from the demands of the budget process. Despite this, the BCOP Executive Committee is very active, and there is emerging evidence of provision of such services by members (through Executive Committee members leading working groups for example, including preparing concept note and plan of activities). IACOP and TCOP member countries have greater involvement in direct network delivery as evidenced by the number of working groups in operation, with BCOP only recently establishing its first working group in the last year, and launching its second in 2015. The significant time and in-kind resources members provide to the network in terms of development of knowledge products, showcasing county approaches, and participating in thematic and other benchmarking surveys should also be considered as direct network provision given it produces knowledge and peer learning that underpins the network.  *External observers, practitioners; from our point of view it leads to more comprehensive discussion*.’ Source: Submission to the review by the Ministry of Finance of the Russian Federation  **The cost of the resource teams mobilized by the World Bank - core plus thematic support - has exceeded what was forecast in the strategy, reflecting the continued growth in number of events and their technical needs.** Initial projections also envisaged that some of the resource experts could be mobilized by the Secretariat directly on the COP request, however such requests happened very rarely during the first years.Resource team costs are forecast to decline during the last years of the Strategy period.The strategy forecast the cost of resource teams at a total of USD 1.65 million over the strategy period (comprising USD 400,000 in years 1 and 2, dropping to USD 300,000 in years 3 and 4, and USD 250,000 in the final year, reflecting decreased reliance on technical support by COPs over time). The actual costs of resource teams were USD 530,000 in FY13 and USD 625,000 in FY14, while the estimates for FY15-17 are USD 580,000, USD 470,000 and USD 410,000 respectively. |
| 1. **Quality and frequency of use of technology solutions facilitated, monitored, implemented (NEW (1))**   Means of Verification: PEMPAL performance indicators (with strategy indicating new indictors required).  For MTR purposes, question included in member survey and COPs asked to provide information in their submissions to the review. Donors also provided views in their reports to the review. Secretariat also provided a breakdown of use of VCs over the strategy period.  No target set.  No baseline information available.  Increased use of a variety of technology solutions evident. Monitoring of VCs strengthened as reported under indicator 1. Quality of solutions reported under indicator 6. Below. |
| **Status of Progress and Performance:**  **PEMPAL utilizes several technology solutions to facilitate communication** **including video-conferencing; public website; COP wikis; skype and other meeting technologies; and translation tools.** Adobe Connect and Skype were trialed for some meetings but proved unreliable so dependence on World Bank video conference facilities continues, although the bank is currently implementing WebEx, a more convenient online tool that can be accessed via personal computer rather than having to physically attend a World Bank office. Skype remains useful for smaller meetings of the resource teams, and with hosting countries, although IACOP also uses Viber for communication between members. Skype has also been used by IACOP and BCOP within events for delivery of presentations remotely. Email communication is still used extensively by BCOP and TCOP for sharing information, but IACOP relies more heavily on wiki. IACOP also uses dropbox for file sharing, Picasa for photosharing, linkedin for building professional network, youtube for sharing event memories, prezi for preparing presentations, and social media (facebook) for informal, social exchanges. Google translate is used by BCOP to facilitate informal communication with the Executive Committee, given Russian and BCS speaking members are on the Committee. For larger files, the Secretariat and BCOP have used ‘wetransfer’ when the size of materials has been an impediment and the World Bank team is increasingly using ‘Box’ to store minutes and materials. All COPs also use survey monkey, with the assistance of the World Bank survey expert, to implement thematic and other related surveys and the Secretariat uses MailChimp for the production of on-line, quarterly newsletters.  **World Bank video-conference facilities are the main tool used for meetings for TCOP and BCOP**. TCOP uses the VC for meetings the most out of all COPs. During the strategy period, it used VCs 24 times, compared to 7 times for BCOP and 4 times for IACOP. (Source: Secretariat). BCOP and TCOP used VCs approximately equally for both Executive and thematic working group meetings, whereas IACOP only used VCs for some Executive Committee meetings.  ‘*We welcome frequently employing modern technologies for reaching out to network members. Especially successful videoconferences which can significantly reduce the costs of organization, event administration, logistics and other. Also it’s good for increasing number of experts.’* Source: Submission to review by the Ministry of Finance of the Russian Federation  **New technologies and tools are also being trailed or used by some COPs.** The cross-COP resource team established for the preparations for the meeting on the results of the mid-term review, has started using the World Bank’s WebEx tool, as a more convenient application for video-connections. TCOP is also trialing a more modern and user friendly platform for virtual communication, and if successful, will promote the new tool among TCOP members. Representatives from BCOP have also recently used GotoMeeting (a similar tool to Adobe Connect) to join a public meeting on budget transparency by International Budget Partnership. This tool was easy to use, and catered for 50+ people, including presentations, and discussions. This and other tools should be monitored or investigated for their potential value to PEMPAL.  **The donors emphasized the need to ensure the materials stored on website and wiki are maintained and updated** to ensure they remain current and relevant. This was reiterated in some of the comments received through the member survey particularly from some IACOP members (refer below). The Ministry of Finance of the Russian Federation acknowledged that PEMPAL is performing well against Output Objective 2, with the website operating well and the virtual library created. However, it emphasized the need to continue updating content with the latest news about events and information about main achievements of the communities etc. As mentioned under related Action 5, SECO believe 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. According to SECO, the current statistics on these tools, do not indicate how important such products and resources are for members (eg the value of wiki, use of knowledge products, library resources for their work). SECO recommends that such information be collected within the COPs, to ensure that PEMPAL works with IT tools which are useful to members. |
| 1. **a) Feedback from members on usefulness of technology to facilitate communication (NEW (2))**   Means of Verification: PEMPAL performance indicators (with strategy indicating new indictors required). MTR survey used to gain member feedback.  No target set.  No baseline information available.  Usefulness rated highly, with some specific reported incidences of concerns, largely related to access to certain technologies. |
| **Status of Progress and Performance:**  **Members rated the usefulness of technology solutions for facilitating communication as very positive, via the MTR member survey, but provided mixed reviews in their qualitative comments**: BCOP 100%, TCOP 97% and IACOP 88% Some IACOP members raised concerns about incomplete wiki information and complexities with password access processes.  *In development of normative acts, methodologies, and national training programs we always took into account the experience of IACOP country - members. That is why the importance of accessibility to actual information on the reform status and to the relevant documents of IACOP country - members by its placement on the web site (meetings, unfortunately, are not so often). IACOP*  *I consider it necessary to conduct more video-conferences on various actual themes, as well as to discuss at these venues questions relating to financial terms and concepts as each country still has a different interpretation of them (TCOP).*  *Due to the fact that the level of PFM development in the countries participating in the COP are somewhat different I think it would be useful to use these technologies more often in the presentation materials on PFM. (TCOP)*  *I have a problem with the wiki page, the access is too complicated (IACOP)*  *To improve (easing) access to all communication technologies (like passwords) (IACOP)*  *Quality of interaction could be improved using of these technologies, for example completeness of the materials on the WIKI (IACOP)* |
| 1. b) **Feedback from service offered from the Secretariat in IT platform maintenance**.   Means of Verification: PEMPAL performance indicators (with strategy indicating new indictors required). Feedback sought on sub-team monitoring former Secretariat’s contract for purposes of MTR.  No target set.  Baseline information not relevant.  Feedback from sub-team monitoring contract indicated progress satisfactory. Indicator needs to be incorporated into TOR of new mechanism. |
| **Status of Progress and Performance:**  **The Secretariat was responsible for management of the IT platform for the website and any interim and future arrangement will need to ensure it is properly maintained**. Up until the former Secretariat mechanism was in place until end June 2015, monthly monitoring meetings were held between the Secretariat and a sub-set of the World Bank team. These meetings were effective in monitoring their performance and ensuring the contract was being effectively implemented including IT platform maintenance. The sub-team of the World Bank concluded that the website was generally effectively maintained and are currently addressing issues related to the transfer of the platform to the bank as part of the interim arrangements.  Minutes to these meetings and can be accessed in the World Bank Box tool. |
| 1. **Number of documents uploaded to Virtual Library (balance, new).PEM PAL website traffic analysis (No. of visits, no. of page views). PEMPAL wiki traffic analysis (No. of visits, no. of page views).**   Means of Verification: PEMPAL performance indicators (for website and virtual library). COPs were also asked to provide information on use of wiki in their submissions to the review.  No target set.  Baseline only available for website traffic using CY 2012 data (refer graph below).  Website use remains high with some falls in number of visits, but increases in number of page views. Variable use of wiki between COPs. Improvements required to enable monitoring of ongoing use of virtual library although MTR survey results indicate not used by around 20-27% of members as reported under indicator 2. |
| **Status of Progress and Performance:**  **Evidence shows an increase in the number of documents loaded to the library in recent years, but the platform does not support detailed data on source or use of these files.** The number of documents uploaded to the virtual library was 2,190 over the strategy period comprising a) July – December 2012: 443 b) 2013: 369 c) 2014: 1378. Given all event presentations and materials are not only posted on the website under a page dedicated to an event, but also loaded to the library by the Secretariat, it is not clear on whether members are uploading their documents or the main drivers are the Secretariat. The large increase from 2013 to 2014, can be explained by the request from BCOP for the Secretariat to upload all BCOP documents, which was not being systematically done like for other COPs. The Secretariat advises that statistics to determine if the library is being used, and by whom, is not available within the current platform. The PEMPAL library is currently under the CEF website and technical arrangements for the transfer to the World Bank are underway. When the library is transferred to a new platform, performance information such as source and usage of documents, needs to be established.  **The PEMPAL website remains the main storage facility for all event and network materials.** **COPs also use wikispaces but its use varies between COPs**.[[77]](#footnote-78) The use of the PEMPAL website remains highwith over 50,000 page visits in 2013 and 2014, and website visits falling slightly from around 13,200 in 2012, to around 11,500 in 2014. Over the strategy period, the top ten countries most using the website ranged in usage from 7.5% to 3% of total sessions accessed. They were in order of highest user: Russia, Ukraine, United States, Moldova, Georgia, Kosovo, Serbia, Kyrgyz Republic, Slovenia (Secretariat), and Bosnia and Herzegovina. Over 80% of access was done in either English or Russian languages. 52% of the sessions were in English (15,725 sessions), 28% in Russian (8,512 sessions), with the remainder in other languages.[[78]](#footnote-79) IACOP uses wiki as a tool for knowledge product development and information exchange, whereas BCOP uses it as a storage facility for knowledge products and technical PFM related materials including additional country case materials. However, available usage and membership statistics for BCOP wiki shows limited use but the Executive Committee continue to advise its resource team to maintain the site. Ongoing promotion of the wiki is undertaken during BCOP events, and ongoing subscription impediments will need to be addressed to ensure all members get effective access. TCOP use wiki for both storage and communication although survey feedback indicated its use was not common (refer Action 11 for survey feedback results on modes of communication). The Secretariat has had little involvement with the management of wiki, except for ensuring subscription fees are paid |
| 1. **Number and type of PEMPAL self-produced knowledge products or services developed or made available by different COPs**   Means of Verification: Secretariat performance indicators (with strategy indicating new indictors required).  COPs requested to provide information on types of PEMPAL produced knowledge products in their submissions to the review. Donors also provided comments related to this indicator.  No target set. Baseline information difficult to ascertain as comprehensive reporting by Secretariat only begun in 2014, although some COPs provided dates of publication of products. IACOP has experience in producing specific products (guidelines and manuals) to support internal audit reforms in region. BCOP and TCOP identified products as part of submissions to the review and included event reports, technical papers being translated and results of pre-meeting surveys, which differ to approach used by IACOP so counting the number is not so relevant than reporting on the type.  In CY 2014, 15 products reported in total (PEMPAL Annual Report). The Secretariat showed evidence of reporting on number and type of products in 2014 quarterly newsletters, and more broadly (few paragraph overview) in 2013 annual report. 2012 annual report provided information on IACOP knowledge products only. IACOP has been producing such products for some time, as reported in 2012 evaluation results, and only more recently has the other COPs in response to recommendations from that evaluation.  Approach to identifying and reporting on knowledge products needs to be strengthened, including defining the different types. Donors also are interested in information on how they are used. |
| **Status of Progress and Performance:**  **During the strategy period June 2012 to December 2014, twenty-eight (28) knowledge products were developed by PEMPAL** (as included in the COP submissions). This comprised thirteen (13) by BCOP; eleven (11) by TCOP, and four (4) by IACOP. The knowledge products developed included papers and presentations documenting results of working groups and thematic benchmarking surveys; summaries of discussions and results of meetings; collation of country case studies; development of tools and good practice manuals; and summaries or translations of technical studies/reports. The increase in the number of knowledge products has been driven by the response of COPs to the 2012 external evaluation which recommended that they develop more knowledge products (as was being done by IACOP at the time).  **The type and scope of knowledge products varies between COPs with more similarities between BCOP and TCOP, then IACOP**, reflecting the different domains of each community. IACOP has also been driven to some extent by the requirements of EU member or accession countries and the need to develop guidelines and approaches in establishing a formal internal audit function and central harmonization unit.  **BCOP has largely focused on documenting practices through formal and informal benchmarking surveys**, whereby the practices of member countries are compared within the region, or more formally with countries from the OECD region. It has also collated examples of budget related information such as citizens’ guides, performance indicators, and technical reports for translation on request of members. Formal event reports are also prepared and a record of useful links prepared for new and existing members to locate the information in the future. The BCOP wiki has been used by the resource team as a storage facility for these knowledge products, including additional materials provided by countries during study visits.  **TCOP has largely focused on documenting and comparing practices through thematic benchmarking and event summaries,** similar to BCOP. It is also currently preparing a guidance on financial reporting consolidation, which is more in line with the IACOP approach. TCOP members use and contribute actively to the virtual library established within the PEMPAL website.  **IACOP has focused on developing good practice guides, templates and manuals that can be customized and adopted in the member countries**. In its submission (Attachment 2c, Information Annex), IACOP have also provided explanations of how each knowledge product, produced by its various working groups, can be used by member countries.  **SECO believe 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. (Attachment 1b, Information Annex)  **How other networks develop, distribute and monitor use of their knowledge products would be useful information for PEMPAL**. CABRI has an approach of clearly identifying the types of products and services its delivers (with plans in train to cost them and incur nominal charges). Such clear identification of products and services would be of benefit to PEMPAL particularly given the growth and focus on knowledge products over the strategy period. How OECD, World Bank, IMF, CABRI and others also monitor the final use and value of their products (including product costing and subscription processes) may provide useful approaches that could be adapted to the PEMPAL context in the future. Investigations into approaches could be done as part of the next network wide strategic planning process, and feed into the proposed paper on financial sustainability. |
| 1. **Value for money indicators (total event expenses: gross vs net, per event, per participant, per day, in USD and EUR)**   Means of Verification: Aggregated in quarterly PEMPAL Secretariat reports. For MTR, 2014 Annual Report used which provided data from CY 2012 to CY 2014. (refer chart below)  No target set.  Although costs increasing, unit costs show improvement. |
| **Status of Progress and Performance:**  **The forecasts costs of Secretariat services was underestimated in the strategy costings**. The Secretariat costs were forecast to increase from USD 200,000 to USD 300,000 from 2013-14 to reflect the proposed move from part time to permanent staff as one of the strategy’s recommendations given the growth of the network. However, with the negotiation of a new contract part way through the strategy, these costs increased to USD 380,000 a year. The strategy costings have been revised to reflect actuals and forecast costs for the remaining strategy period.  **Initiating any benchmarking of Secretariat services, as required under Action 4 of the strategy, would not be appropriate now, given recent developments in PEMPAL regarding the delivery of such services**. When the strategy was developed, it proposed a new modality for Secretariat services, comprising full time resources that would be periodically assessed and benchmarked against similar networks to ensure the approach is appropriate to cater for the growing needs of the network. Given the need to establish a new Secretariat mechanism during 2015-16, such a recommendation is now not appropriate. The Executive may consider, however, whether it would like to initiate a formal benchmarking program before the end of the strategy period, the results of which could feed into the proposed strategic planning processes for development of the next strategy.  **The Secretariat provided value for money indicators which showed evidence of increasing event related costs.** (Attachment 6, Information Annex). In the 2014 Annual Report, the Secretariat reported total PEMPAL event-related expenses have been increasing over the strategy period, and totaled EUR 1,4 million (USD 1,9 million) in 2014 compared to EUR 1,1 million (USD 1,5 million) in 2013. These expenses include travel, accommodation, translation/ moderation, conference-related expenses for the PEMPAL practitioners, and support of the Secretariat but do not include expenses relating to the resource teams.  **However, average expenses per event and per participant have decreased.** The average expenses of an event in 2014 were EUR 42K (USD 56K); compared to EUR 70K (USD 93K) in 2013, and EUR 99K (USD 125K) in 2012. The decrease in average expenses per event is due to the fact that the COPs actively started using videoconferencing.The structure of event expenses has remained roughly the same over the strategy period, with relative shares of accommodation, travel and translation expenses remaining relatively constant with accommodation, followed by travel as the largest expense items.[[79]](#footnote-80) Expenses per participant decreased compared to 2013 in net terms (excluding translation), from EUR 1,650 in 2013 to EUR 1,185 in 2014. The decrease in expenses per participant can be explained by expanded use of videoconferencing as well as different costs of services at different locations combined with effective negotiation efforts for organizing the events. If observed in gross terms (including translation and Secretariat), in 2014 expenses per participant decreased to EUR 1,719 (2,290 USD) from 2,585 (USD 3,429) in 2013.Expenses per participant/day also decreased due to larger number of participants per event. Daily net expenses[[80]](#footnote-81)per participant (weighted average), measured in both EUR and USD terms, went down from EUR 666 (USD 891) to EUR 550 (USD 760), during the same period. |
| 1. **Satisfaction of members with performance of Secretariat, COP Executive Committees and Steering Committee**   Means of Verification: Periodic independent evaluation. For purposes of MTR, questions were incorporated in survey.  No targets set.  Baseline information available in 2012 external survey and in CY2013 post event surveys as reported by Secretariat.   |  |  |  |  | | --- | --- | --- | --- | | Periodic survey results | % rating highly satisfactory: Secretariat [[81]](#footnote-82) | % rating highly or very highly for Steering Committee | % rating highly or very highly for COP Exec Committees | | 2012 external survey results (source page 27, Main Report) | 70%[[82]](#footnote-83) | 81% network wide | BCOP (100%),[[83]](#footnote-84) TCOP (67%), IACOP (88%) | | 2015 internal survey results | 79% (BCOP 77%, TCOP 79%, IACOP 79%) | 90% network wide[[84]](#footnote-85)  BCOP (86%), TCOP (88%), IACOP (97%) | BCOP (91%), TCOP (90%), IACOP (91%)[[85]](#footnote-86) |   Evidence of increased satisfaction since 2012 with Secretariat, Steering Committee and COP Executive Committees by members except for BCOP Executive Committee which showed drop from 100% satisfaction to 91% noting that Committee was still being established at time of external survey so 100% satisfaction rate needs interpretation in that context. |
| **Status of Progress and Performance:**  **Members provided positive feedback on the performance of the Secretariat, Steering Committee and COP Executive Committees showing increases in ratings for all groups since 2012** (except for BCOP Executive Committee although rating remains very positive at 91% respondents rating their service highly or very highly satisfied).  **There is evidence that the network executive are currently providing effective leadership and direction.**  Most members who responded to the review survey rated the performance of the Steering Committee and COP Executive Committees very positively. 86% (BCOP), 88% (TCOP) and 97% (IACOP) members rated the performance of the Steering Committee as high or very highly. No members rated the Committee below average. 91% (BCOP), 90% (TCOP) and 91% (IACOP) of members rated the performance of their Executive Committees high or very highly. In the COP submissions, COP Executive Committees rated the leadership quality of the Steering Committee very highly (BCOP), and highly (TCOP and IACOP).  **For the Secretariat, positive and improving results are validated by event post event surveys**. In post event surveys, the Secretariat’s services (logistical organization, and event administration) were rated consistently high and showed an increase between CY13 and CY14 (graph sourced from *Attachment 1*, taken from 2014 PEMPAL Annual Report, prepared by Secretariat).  **Roles and responsibilities of key network actors have been reviewed and clarified in the procedural framework and in the Rules of Operation** **during 2012-13** (now called Operational Guidelines). The Secretariat provided a comprehensive record of changes to these guidelines, including consultation and approval processes. (*Attachment 4,* Information Annex). Changes involved a technical sub-group of the Steering Committee working on reviewing the guidelines with the assistance of an OECD legal expert. Other policies were also clarified, with changes incorporated in the budget management guidelines and guidelines for study visits in 2014, which also led to subsequent revisions in the Operational Guidelines and Guidelines for PEMPAL events, including a new Policy on Social Activities.  S**ome roles and responsibilities still need to be clarified** **and strengthened, according to donors i.e. that of observers and COPs on the Steering Committee**. The role of observers on the Steering Committee is not clear in SECO’s view, and some observers, although lacking any voting rights, have influence on decision-making. SECO recommends that the operational guidelines should define that observers can speak on all agenda items relevant to their expertise whilst making it clear that they cannot contribute to governance and funding discussions and decisions. Further SECO views decisions by voting not appropriate for the Committee anymore, and recommends this be changed to decision-making by consensus.  **Both the Ministry of Finance of the Russian Federation and SECO have requested a more active role of COPs in Steering Committee meetings**. SECO recommends that the Steering Committee should reflect on what measures would be useful to ensure COP Chairs can participate more actively while at the same time, limiting the potential for conflict of interest. The Ministry of Finance of the Russian Federationrecommends expanded participation of COP representatives in video-conference meetings with regular presentation of activities and issues. (Refer Action 3, related to improving cross-COP exchanges for more details).  **Both donors also offered suggested improvements to the operations of the Steering Committee.** SECO recommended that i) the agenda, relevant documents and background information should be available well ahead of meetings; and ii) the agenda should specify for each agenda item whether it is for discussion or decision, if a decision is required all relevant information has to be provided before the meeting. SECO also recommended that no decisions be allowed to be made unless all members are present, and decisions should not go ahead if some members have involuntarily left the meeting, due to technical problems with VC connection. The Ministry of Finance of the Russian Federation requested with regard to budget issues, the main proposals and comments should be considered before the meeting to better understand the proposed changes and adjustments and to avoid misunderstandings due to technical problems or lack of time. Apart from these suggested improvements, the Ministry of Finance of the Russian Federation believes the work of the Steering Committee is effective and well-coordinated.  **Regular meetings are being held by the COP Executive Committees and PEMPAL Steering Committee.** The Steering Committee held eight meetings during the strategy period and the types of decisions made, topics discussed and minutes recorded, have been provided in *Attachment 7* of the Information Annex. The BCOP Executive Committee held 13 meetings during the strategy period (from July 2012 to December 2014), of which nine were face-to-face. Minutes to these meetings can be accessed at <http://www.pempal.org/about/governance/ex-com-bcop/> The TCOP Executive Committee held 19 meetings over the strategy period, seven of which were face-to-face. Minutes to these meetings can be accessed at <http://www.pempal.org/about/governance/ex-com-tcop/> The IACOP Executive Committee held 13 meetings, over the equivalent period and the Executive Committee has elected to keep recordings related to these minutes private, due to the sensitive nature of some of the topics under discussion.  **Executive Committees undertake a range of strategic and operational activities associated with their COP specific plans and network wide initiatives**. The types of decisions made include review and approval of: COP action plans, draft agendas and event concepts, survey questionnaires and reports, and knowledge products. Consideration of strategic matters is also periodically undertaken such as strategy development and implementation, evaluation survey results responses, developing and implementing membership strategies, and leading facilitation of events and working groups.  **Minutes of all executive meetings are recorded and posted on the public website (except for IACOP who has chosen to post theirs on private wiki).**  Feedback from the member survey indicated that IACOP could improve the information recorded on meetings (refer member feedback listed in Action 10 below) with issues raised related to incomplete records and problems with access to wiki, where these records are stored. For transparency reasons, the minutes should be made public, and only those specific agenda items addressing sensitive issues removed from the minutes. |
| 1. **Satisfaction of Executive Committees and Resource Teams with Secretariat performance**   Means of verification: Periodic independent evaluations. For purposes of MTR, COPs were requested to provide rating of performance in COP submissions to the review.  No target set. Baseline information available in 2012 external survey results but qualitative in nature in response to interviews. Incidences of concern reported in 2012, were more in number and significance[[86]](#footnote-87) to those reported in COP submissions in 2015, thus indicating a significant improvement in performance. |
| **Status of Progress and Performance:**  **From performance indicators, it is assessed that the Secretariat addressed members’ needs in an efficient and effective way.** In COP submissions to the review, the Secretariat services were rated by the Executive Committees as **highly satisfactory** by BCOP; and **satisfactory** by TCOP and IACOP. Good relationships were established and maintained by the Secretariat Team Leader, Gasper Plesko and any issues were quickly identified and addressed jointly by his team with the assistance of the World Bank resource teams where needed. BCOP’s level of service was periodically negatively impacted by staff turnover and regular changes in provision of core staff (due to maternity and sick leave) but the BCOP Executive Committee were protected from experiencing these service gaps by the resource team undertaking core administrative tasks to cover for periods of changing or unavailable staff, and the Team Leader was actively trying to ensure such instances did not occur in the future. IACOP also indicated appreciation of efforts to address logistical issues raised, and noted further efforts were needed in improving the quality of services, linked to event participants’ travel arrangements, including optimal itineraries selection, as well as for ensuring high quality translation during events. TCOP also shared the same concerns with the additional issue of improving the organization of pick-up at airports. |
| 1. **Number of study visits to PFM institutes supported. Number advanced countries engaged. (NEW (4))**   Means of Verification: Secretariat performance indicators (with strategy indicating new indictors required).  No target set.  Baseline information not relevant. Member driven indicator, with periodic reporting adequate.  Significant demands met in TCOP and IACOP. Limited demand in BCOP. |
| **Status of Progress and Performance:**  **IACOP and TCOP have implemented this action, but there has been limited interest by BCOP members**. For BCOP, only one country (Kyrgyz Republic) indicated interest in PFM institutes/training and representatives made contact with Kazakhstan at the plenary meeting of 2015. Although the 2014 cross-COP meeting did not showcase PFM institutes as planned in the strategy (given COP demand for other topics), there is evidence that this remains a priority and is being addressed by IACOP and TCOP.  **For TCOP, the topic of PFM training has been on the agenda of several TCOP events over the strategy period.** In particular, presentations on the arrangements for training of public sector accountants were included in the agendas of the TCOP events held in Baku and Podgorica; a visit to CIPFA was part of the Executive Committee visit to London; and experiences of the Austria MoF in arranging training under the recent broad PFM reform was discussed during the study visit to Austria. The Ministry of Finance of the Russian Federation expressed strong interest in studying the existing models of PFM training arrangements in different countries. In this context its representatives have been delegated to attend the TCOP workshop in Baku, where a separate session devoted to training activities was held. The event was also attended by the representatives of the PFM training institute of Kazakhstan who presented their experience to TCOP members at an earlier event held in Astana in 2011. A bilateral cooperation agreement was subsequently signed between the Russian and Kazakh representatives. In December 2014, the World Bank facilitator of TCOP, Elena Nikulina, delivered a special presentation on this topic to the Russian counterparts at the workshop in Moscow. The presentation was developed on the basis of materials available from TCOP events (experiences of Azerbaijan and Kazakhstan). Action plan of one of TCOP thematic groups focusing on implementation of accounting standards for the next 12 months envisages an organization of a series of VCs with PFM training institutes from the region (CEF, Kazakh institute, Azerbaijan institute).  **For IACOP, the Training and Certification working group collected best practices in training from the region**. This group met twice per year and produced a training program template, and proposed a model of training and certification. Two documents were published: Body of Knowledge and Good Practice; and the Continuing Professional Development Manual Template (available at: http://pempaltc.wikispaces.com/T%26C+WG+Index) The experience of the Republic of South Africa (RSA) Institute of Internal Auditors was explored during an ExCom study visit by representatives of Hungary, Georgia, Croatia and Moldova in 2013-14. In addition, during the study visits to Armenia and Hungary, the experience in establishing training center for internal auditors were shared with representatives of Moldova, Montenegro, Bosnia and Herzegovina, Ukraine, Croatia, Georgia, Russia, Kyrgyz Republic.  **Some member feedback from the survey emphasized the usefulness of this work**:  *Comparative analysis of the certification system of internal auditors was the basis for establishing our own national certification system of internal auditors.*  *When developing a training program on the certification of IF (sic) we had in mind the experiences of PEM PAL country-members.* |

**OUTPUT OBJECTIVE 3**

A financially-viable network of public financial management professionals, committed to improving PFM practices in the Europe and Central Asia region, is built and maintained

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. **Number of member countries actively attending events.** 2. **Individual members by COP, by event in total**   Means of Verification: Event Lists of Participants as reported in Secretariat annual reports; Event participation analysis. For purposes of MTR, membership analyses undertaken and provided in COP submissions to the review, given participation statistics reported by Secretariat show all participants, not members (as defined as those participants attending two or more events). Quality issues experienced with data held in Secretariat database, requiring further refinement of lists by Strategic Adviser and COPs.  No target set for number of member countries although eligibility restricted to those in Europe and Central Asia region, and subject to approval by Steering Committee.  Informal target of 100% set for participants coming from target agencies and areas within agencies as defined by the COP Executive Committees, under their membership approaches.   |  |  |  |  |  | | --- | --- | --- | --- | --- | | Number of member countries | 2011 | 2012 | 2013 | 2014 | | BCOP | 21 | 21 | 21 | 21 | | TCOP | 20 | 21[[87]](#footnote-88) | 21 | 21 | | IACOP | 20 | 20 | 23 | 23 |     Baseline information for number of countries available from 2012 external evaluation report (2011 figures).  No baseline information available for membership analysis for TCOP and IACOP. BCOP undertook analyses in 2011-12 which found target members attending. 2012 external evaluation report highlighted need to further strengthen definition of member. All COPs have done this (with IACOP adopting practices since last external evaluation), with more targeted invitation processes evident, and more focus on quality of membership by COPs. Members defined as those attending two or more events. Future membership analyses could be strengthened by addressing poor quality of some data in membership database on relevant area within target ministry. Reporting also needs to be strengthened. Secretariat begun reporting in 2014 but agreement needs to be reached on format and frequency of reports.  Evidence of core membership across all COPs, driven by member countries participating in Executive Committees and to some extent, those countries sending additional participants as self-payers. |
| **Status of Progress and Performance:**  **Despite constraints associated with quality of member information in the Secretariat’s database, membership analyses shows that target members are participating in COP activities**. Specifically, some names and email addresses are duplicative, some members have departed the network; and information on the department name and function could be improved, through better design of invitation forms and closer management of membership data by the COPs and/or new Secretariat mechanism. To facilitate membership analysis, **a member was defined as those that attended two or more events over the strategy period.**  **With the move to working group and smaller thematic meeting formats, more targeted membership strategies are being used**, with specific people being recommended to the Minister for nomination to attend. Incentives to participate in the Executive Committees have also been established, with additional country participation above the normal two nominations per country being allowed for those countries represented in the Committee or for those active in agenda implementation, or in the case of BCOP and TCOP, if countries agree to fund additional participation (ie self-payers). IACOP has also been implementing innovative membership strategies for several years, with different levels of membership allowing different benefit levels applied in the past. IACOP promotes ownership of membership strategies to the broader community through the work of a member-led enabling group -‘Community Keepers’ - who are responsible for promoting sustainability of membership through ensuring its high quality. One such strategy, includes a rule established by the Executive Committee of one participant to be nominated by IACOP and the second by the country MoF. The IACOP invites the most active members and those in charge of policy reform. The Executive Committee has also established a participants nomination process which is applied for the events conducted by the IACOP working/ thematic groups.  **For BCOP, there are 61 core members from 21 countries in the ECA region**. Eighteen of the 21 eligible countries have had active participation, with Kazakhstan, Ukraine and Bulgaria being the least active members (although Ukraine participated in a type B study visit in 2014). The most active participation generally comes from the 8 countries represented in the Executive Committee Albania (8 members), Croatia and Kyrgyz Republic (6 members each), Armenia and Belarus (5 members each), and Russian Federation and BiH (4 members each). Representation from Kyrgyz Republic is driven by participation of self-payers (Kyrgyz Republic sent 15 people as self-payers to BCOP events during the strategy period), and Albania hosted a plenary meeting, which opens participation to more people.  **For TCOP, there are 119 core members, from 21 countries in the ECA region**. **The larger membership base is being largely driven by significant numbers of self-payers, amongst other influences.** Nineteen of the eligible 21 countries have had active participation, with Kosovo and Romania[[88]](#footnote-89) being the least active members with no members attending more than one event in the time period, followed by Serbia and Armenia with only one member each. The most active participation has come from Belarus (13 members), Russian Federation (11), Tajikistan (10) and Georgia (10). These additional members are driven by countries funding additional attendance (ie self-payers), countries hosting events and thus being able to send additional participants, and also additional places being offered to countries represented in the Executive Committee. Belarus has sent 5 people to TCOP events as self-payers, as has Georgia and both hosted workshops during the strategy period. Russia Federation has paid for 24 additional participants to attend TCOP events, which also explains their high level of membership. A combination of these reasons, explains the membership profile of TCOP, which is significantly different to the other COPs.  **For IACOP, there are 65 core members, from 23 countries**, **with some members being from line-ministries, which requires further investigation.** Additional members, above those of the other COPs, are Hungary and Czech Republic, who were approved by the Steering Committee during the strategy period. Countries of Turkey, Belarus, Kosovo and Macedonia have only one member (who has attended more two or more events over the strategy period) with other countries having two or more members. The most active participants come from Albania, Georgia, Kyrgyz Republic, Moldova and Ukraine all with 5 members each, followed by Uzbekistan and Russian Federation with 4 members each (with most of these represented in the Executive Committee except for Albania and Uzbekistan). |
| 1. **% of returning vs one off participants**   Means of Verification: Secretariat reports based on survey results.  No target set.  Baseline information provided for CY13 from annual reports. Further baseline data provided by 2012 results from external evaluation (2011 survey data).[[89]](#footnote-90)   |  |  |  |  | | --- | --- | --- | --- | | % of new participants | 2011 | 2013-14 | 2014-15 | | BCOP | 16 | 41 | 31 | | TCOP | 34 | 7.7 | 14.1 | | IACOP | 11 | 25 | 25 |   Evidence of significant proportion of new participants in all COPs, suggests strengthened approach to manage new members is needed to ensure previous knowledge is shared. The number of new participants could be driven somewhat by the fact that more member countries are hosting events and thus able to send additional participants who would normally not attend given membership policies. Countries sending additional participants as self-payers could also affect these figures. |
| **Status of Progress and Performance:**  **More new members are attending events, which provides a challenge as strategies need to be developed to ensure previous knowledge is shared**. The Chart shows Secretariat data across average of PEMPAL (Source *Attachment 1*, taken from 2014 Annual Report). Further investigations were undertaken of the data, to determine trends within the COPs. TCOP appears to have the least number of first time visitors, estimated at 7.7% in 2013-14, although this has almost doubled in YTD figures for 2014-15 to 14.1%. BCOP had significant first time visitors in 2013-14 with over 41% with that falling to 31% the following year to date. IACOP has remained relatively constant over the two years, with new participants each year of around 25%.[[90]](#footnote-91) To manage new members, there is no standardized induction processes, and practices differ between COPs. .BCOP develops a list of links to results of previous discussions, by thematic topic, which is circulated annually at the plenary. This listing is primarily aimed at new members and as an update to all members of activities throughout the year. IACOP has an enabling group that is tasked with ensuring stories are captured and shared with new members. TCOP depended on wiki to capture and share information, although new tools are currently under investigation. The new Secretariat could be tasked, in collaboration with the COP resource teams, of developing an induction kit to be distributed to new members. This kit could provide a promotional brochure on PEMPAL and links to further information on thematic topics across all COPs. This could also be a specific link under the website and new members could be instructed to review the link, to ensure they have knowledge of products and services that have been delivered in the past. |
| 1. **% from MOF and other agencies.** 2. **% from target functional areas and job levels**   Means of Verification: Event Lists of Participants. Refer to indicator 2. Percentage of members from target ministries, as defined by COP Executive Committees, identified as part of membership analyses. This analyses was undertaken by Strategic Adviser in consultation with COPs and their resource teams, for specific purpose for MTR. Evidence of periodic membership reporting undertaken by Secretariat, but more consistent and agreed approach needed. Quality of the data held in Secretariat database also needs improving. Members defined as those attending two or more events.  Target set at 100% to ensure relevant people attending to maximize benefits of peer learning and knowledge creation.  No baseline information available (except for 2011-12 analyses undertaken by BCOP which showed target MoFs and functional areas attending, noting difficulties in quality of information in database. This led to revised registration process that asked for more information on functional area. COPs have established active membership strategies and are more involved in invitation processes to ensure target ministries and participants are attending. |
| **100% of members come from Ministries of Finance which is the target group, as defined by the BCOP Executive Committee**. Determining if the people participating are from the right areas within MoF was impeded by lack of detail provided by participants when completing the form when accepting invitations to attend an event. This was addressed by the BCOP Resource Team changing the design of the invitation form, although use of this form has not been consistently applied by the Secretariat.  **For BCOP, the majority of members are at middle to high management levels (77%) with two members coming from political levels.**  **100% of members are from Ministries of Finance or State Treasuries**, **which is the target group as defined by the TCOP Executive Committee**. At least in 70% of cases it was clear that members are from target areas within these agencies, but due to unclear job titles from some members from Ministries of Finance, it was not certain in around 30% of cases (if they were from areas within MoF that dealt with treasury related functions).  **The majority of TCOP members (69%) are from senior levels, with 3 Ministers, 6 Deputy Ministers and 8 Treasury Heads also attending events during the strategy period.**  **For IACOP, most participants are from Ministries of Finance but there is some evidence of line-ministry membership**. For example from Albania there is a member from the Ministry of Agriculture, Food and Consumer Protection who has attended eight meetings over the strategy period, also two meetings were attended by a representative from the Ministry of Agriculture of Moldova; the Ministry of Youth, Labor and Employment of Kyrgyz Republic; and National Social Insurance House, Moldova. It is up to the Executive Committees to define their target membership. However, when membership is not from central, coordinating ministries, it raises the issue of how one line-ministry over another was allowed membership, and the Steering Committee may want rationale for such membership given it may set a precedent that would impact negatively on PEMPAL finances. (Note these members are not self-payers as evidence collected by the Secretariat showed only four instances of self-payers for IACOP, which came from the Russian Federation, but these representatives from line-ministries may have had active involvement in the agendas thus justifying their membership).  **For IACOP, approximately 80% are Heads, Deputy Heads, and Directors or at senior levels, within internal audit related areas.** These levels may not be directly comparable to senior levels reported in BCOP and TCOP. |
| 1. **Event Participation Statistics (% active, average, passive)**   Means of Verification: PEMPAL Secretariat progress reports. Post-event feedback surveys include a standardized question for participants on whether they rated their participation at the event as active, average, passive. The Secretariat reports on the results of these surveys in its annual report.  No target set.  Baseline of CY12 used as provided by Secretariat in annual reports (Refer *Attachment 1* for collation). Change of methodology evident between CY 2013 and CY 2014, and new approach needs clarification. Graph used for comparison between CY 2013 and C 2014 as provided by Secretariat in CY 2014 annual report.   |  |  |  |  | | --- | --- | --- | --- | |  | CY 2014 | CY 2013 | CY 2012 | | Event participation active[[91]](#footnote-92) | 1.7-1.0U | 1.2-1.6U  45-82% | 51-67% |   With increased use of working group and smaller meeting formats, it would be expected that level of activity would increasingly become more active. Although survey results indicate no change. Clarification on methodology of reporting required. |
| **Status of Progress and Performance:**  **Participants felt equality as active between 2013 and 2014 according to the Secretary**. Feedback on the methodology of how this statistic is reported is required from the Secretariat. |
| 1. **Donors providing financial and/or in-kind contributions**   Means of Verification: PEMPAL performance indicators. Donor financial information is reported by the PEMPAL Task Team Leader on a quarterly basis in Steering Committee meetings. In kind contributions were collected by the Secretariat and COPs for the specific purposes of the MTR (Refer *Attachment 5*, Information Annex).  Target set: Strategy to be fully funded.  Baseline data for financial contributions provided in body of report. Strategy was not fully funded at the time the strategy was approved.  Baseline data for in-kind available from 2012 external survey report (two in-kind donors: the World Bank and OECD Sigma identified).  Target achieved, noting some amendments to cost of strategy needed in light of new Secretariat mechanism and implementation experience.  Ongoing collection and monitoring of in-kind donor contributions could be strengthened (as suggested also by SECO) |
| **Status of Progress and Performance:**  F**unding gap in strategy filled during the review period** (by additional contributions by current donors).  **Evidence of decreasing in-kind contribution with OECD Sigma leaving PEMPAL**, **offset however by evidence by COPs of informal contributions by other donors** through assistance with technical program on an ad hoc basis For example, OECD, IMF, GIZ, IFAC, IPSAS Board, CIPFA. |
| 1. **Recipient countries providing financial or in-kind contributions**   Means of Verification: PEMPAL performance indicators. Secretariat provided spreadsheet (*Attachment 5*, Information Annex) showing in-kind contributions and self-payers.  No target set, although strategy output objective, aims for financial sustainability.  No baseline information available for contributions but 2012 external evaluation (using 2011 survey results) shows comparison figures for willingness to pay. In external evaluation report (page 22), 16 out of 38 survey respondents (42%) were willing to pay which is similar in results to BCOP and IACOP responses to 2015 survey, although TCOP less so at 27%. Senior officials indicated in interviews conducted during external evaluation, that they were not in principle opposed to paying membership fees, but highlighted obstacles countries would face to budget for the fees; unless PEMPAL is constituted as a separate legal entity (for example through an international agreement), to allow countries to be able to budget for such fees.  Evidence suggests increasing financial (through self-payers) and in-kind contributions from member countries although collection and reporting mechanisms need strengthening (as also suggested by donors). Some willingness to pay member contributions noting reluctance by some Executive Committee members needs further investigation, particularly if legislative impediments exist for such formal contributions. (36% of normal members on average willing to pay, with more willingness in BCOP and IACOP than TCOP). |
| **Status of Progress and Performance:**  **For the purposes of the MTR, the Secretariat compiled a table of financial contributions over the strategy period** **which showed an increasing trend in member countries funding specific social aspects or funding increased participation over and above those allowed in membership policies** (*Attachment 5*, Information Annex). In summary, there were over 25 instances where member countries provided in-kind financial contributions over the strategy period. This comprised 14 dinners (three of which were co-sponsored), three lunches and associated coffee breaks, eight cultural programs (comprising four city tours, three excursions, and one social event). There is also evidence of increasing contribution in the form of dinners provided with five of those dinners being provided in 2013, which increased to seven being provided in 2014. Other less common contributions were assistance with printed materials or airport transportation. From the donor side, OECD has assisted with facilities, printing of materials, and provision of social events and cost sharing translation support in the context of PEMPAL attending its annual SBO meeting. World Bank has also assisted with provision of bank facilities and VC network where needed. SECO has indicated an interest in receiving more regular information on the scope and nature of in-kind contributions from other donors and members as well as financial contributions from members. This would allow a more comprehensive picture of the resources available from the network and such information should be included in regular reporting.  **Financial contributions in the form of member countries paying for additional participants, is more common in TCOP and BCOP with contributions being driven by Russian Federation, Kyrgyz Republic, Belarus and Tajikistan**. Russian Federation funded 29 people (largely TCOP), Kyrgyz Republic funded 19 (largely BCOP), and Tajikistan funded 12 people (TCOP). Belarus and Georgia also funded five people each (TCOP) during this time period, Turkey three (TCOP and BCOP) and Kazakhstan (TCOP) and Montenegro (BCOP) two people each. It is interesting to note, that of the total of 78 people that were funded by member countries during the strategy period, 19 (24%) were for BCOP meetings, 52 (67%) were for TCOP meetings, and four (5%) were for IACOP meetings (there were minor discrepancies in Secretariat data, so totals do not add up to 100%). IACOP had only four self-payers from the Russian Federation during this period. The BCOP and TCOP resource teams have been using the practice of allowing additional participants to attend events (over and above the normal membership strategies applied), if logistics allows, on the basis that additional participants are funded by the governments sending the request. Current practices in relation to encouraging self-payers should be shared between COPs, and also clarified in the proposed study on financial sustainability. TCOP also provided information on financial contribution in its submission and reported thatfive TCOP member countries have delegated 58 participants[[92]](#footnote-93) (about 12%) to the TCOP face-to-face events, covering travel and accommodation expenses related to their participation. TCOP reports that this is an important contribution, which additionally confirms the high relevance of the topics discussed during the TCOP events. In this instance, the COP has kept more comprehensive records of self-payers, and any new Secretariat mechanism, will need to strengthen the collection of such information in the future.  **There are sections within the current PEMPAL operational and social guidelines that encourage in-kind contributions which target more contributions from High Income Countries.** Article 1, Section 3, states that members from ‘High Income Countries’, as per the World Bank definition, are expected to actively contribute (financial or in-kind) for participation in PEMPAL activities. Currently there are three HIC in the network, Croatia, Russia Federation, and Czech Republic (IACOP).[[93]](#footnote-94) There are 12 upper-middle income countries, seven lower-middle income countries (Armenia, Georgia, Kosovo, Moldova, Kyrgyz Republic, Ukraine, Uzbekistan), and one low-income country (Tajikistan).  The PEMPAL Policy on Social Activities also states:   * Paragraph b) indicates that hosting countries are welcome to organize and sponsor social program activities on their own, or with the support of the Secretariat, if needed. * Paragraph d) indicates that when a hosting country offers to lead the organization of the social program, it is expected to assume the responsibility for: (a) taking care of transportation and other logistical arrangements, as required, (b) contracting service providers (e.g. restaurants, theatres etc.), (c) coordinating the content and timing of the program with the Secretariat in advance, (d) Covering the costs associated with the social program delivery.   **COPs have provided significant evidence of in-kind contributions being provided by members and member countries to PEMPAL**. The COP Executive Committees (comprising on average around 8-9 member countries) commit significant time to providing strategic oversight and management of the COPs. More member countries are increasingly hosting events (23 over the last three calendar years), which entails providing advice to the Secretariat on appropriate venues, cultural events, and logistical/catering providers and being active in delivering the agenda through provision of presentations and documents from their country. Members (particularly of working groups who meet more regularly), commit their time to meetings and also documenting their practices through benchmarking surveys, development of knowledge products, and presentation of their country case studies. One of the approaches applied by all COPs for encouraging in-kind contributions from the member countries are extra-quota invitations for attending specific events offered to the speakers, presenting country cases.  **For TCOP 9 member countries hosted events and 12 member countries delivered 62 presentations, during the strategy period**. TCOP also provided detailed information on member countries thematic contribution to TCOP events in the annex to their review submission (*Attachment 2b*, Information Annex). As a sign of appreciation of the hosting country contributions, TCOP issues Certificates of Appreciation for countries hosting the plenary meetings and contributing to their organization.  **For IACOP, 10 member countries hosted events.** IACOP sends letters of appreciation to hosting countries whereas, BCOP does not have any standardized practice, although verbal appreciation and occasional small gifts are provided to the hosts.  **For BCOP, 4 member countries hosted annual plenary meetings**, **one member has hosted a study visit and 16 have prepared and delivered presentations on the status of their reforms** during the strategy period, There is also an increasing trend of member countries wanting to host meetings, with plans already in train for Belarus to host the 2016 plenary meeting. Thirteen members also participated in the OECD budget practices and procedures survey which was a resource intensive survey comprising almost 100 questions. Since 2013, six and more recently seven countries have also participated regularly in videoconferences for the wage bill working group, and 15 countries have signed up for the new budget literacy working group.  **Results from the member survey indicate some willingness to pay membership fees or motivate for payment with over 36%[[94]](#footnote-95) on average open to it although there appears to be significant unwillingness in the Executive Committee members (around half of total members) which warrants further investigation:**  Member survey results on **the willingness to pay** are detailed below:  BCOP 41% members, 43% ExCom members  TCOP 27% members, 44% ExCom members  IACOP 44% members, 29% ExCom members  PEMPAL average 36%, ExComs members 43%  The most common amounts chosen by those in support of such fees were either up to 150 USD a year for TCOP; either up to 50 USD or up to 450 USD or more a year for BCOP, and up to USD 50 or up to USD 150 for IACOP. However, unwillingness to pay or motivate to pay was evident with 59% BCOP, 73% TCOP and 56% of IACOP members. Possible reasons behind the unwillingness of more TCOP members could be a result of several countries already financially funding (additional) participation. Such views were also shared by many Executive Committee members which should be further investigated (4 BCOP, 5 TCOP, 5 IACOP members indicated unwillingness to pay or motivate to pay representing over half of the current executive membership).  **Legislative impediments may exist to member countries providing financial contributions** eg to provide legal public appropriations, PEMPAL may need to be a recognized legal entity and an international agreement may need to be in place. The experience of entering into agreements with countries by CABRI would be useful here although to facilitate payments, international legal agreements were pursued which proved costly and time intensive (*Attachment 10*, Information Annex). Countries with these agreements pay nominal subscription fees (linked to their GDP), and those that have not entered into agreements, can still participate on an observer basis (with no voting rights). As a result of these initiatives, 20% of CABRI’s costs are covered by fees with the remaining being donor funded (although their client base comprises more Low Income Countries). CABRI is also currently investigating an approach whereby it plans to charge for its products and services and is investigating costing in accordance with country GDP levels. Its strategic plan is being distributed soon, and it would be good to arrange a further meeting with CABRI to explore its approaches in more depth, including its strategies to engage in international policy platforms to raise awareness and profile of the work of member countries.  **From the perspective of donors, Output objectives three and four are tightly interconnected, and the focus should be on the feasibility of contributions from member countries.** The Ministry of Finance of the Russian Federation suggests that attracting additional funds from members, or attracting new donors can be a decision from the review. Cost-sharing can also be considered. The Ministry of Finance of the Russian Federation recommends that the main topic to discuss within the framework of financing is the possibility of member-country contributions, including the intentions of members on this issue. The Ministry of Finance of the Russian Federation sees the need to understand what concrete steps we can do on this issue.  **In SECO’s view, PEMPAL has so far been less successful in ensuring sustainability of the network. To achieve this objective, more efforts should be made to ensure a financially-viable network and in raising awareness of high governments and political levels for the remainder of this phase**. SECO recommends a strategy be developed on how to address financial sustainability, and financial and in-kind contributions should be actively sought. An ideal solution in their view, is for members to cover travel and accommodation expenditures, while donors provide funds for the organization of the events (room renting, catering, translations, technical experts) as well as the Secretariat. A strategy possibly showing different scenarios of how to introduce and determine membership contributions (e.g. different membership fees corresponding to the level of economic development of each member, gradual introduction of membership fees, etc.) should be elaborated and presented and discussed with members. Such a strategy should also take into account that some of the beneficiaries are EU members, a fact which should in SECO’s view be reflected in different financial arrangements for their participation. With the prospects of more PEMPAL members becoming EU members in the future, this is particularly important. The strategy should also be used to sensitize members about the risks of a full dependence on donor funding. While the elaboration of such a strategy exceeds the framework of this review, it should nevertheless be elaborated during the remainder of this phase.  **Within the strategy, costings of delivery of COP action plans were reduced in the later years to reflect member contributions**. Forecasts of USD 450,000 per COP action plan were assumed per year, including a 5 percent reduction in year three and a 10 percent reduction in the last two years to reflect member contributions. These forecasts were revised in light of actual costs of COP action plan implementation, and also the proposed timing of investigations and implementation of member contributions.  **Members were asked for their ideas on how to ensure the financial sustainability and effectiveness of the network, including their knowledge of the current strategy’s objectives and outputs.** From the member survey 73% in BCOP, 76% in TCOP and 84% in IACOP knew of the existence of the strategy with all members of Executive Committees understandably knowing about it. Most members are happy with the current strategy as indicated by just over 94% of BCOP and TCOP members and 96% of IACOP members. All Executive Committee members were happy with the strategy, reflecting their active role in its development and implementation. A member of IACOP provided some ideas in their response to the member survey which combined awareness strategies related to seeking subscriptions from member countries (refer italics below). Another member also suggested that PEMPAL should consult donors already working on PFM reforms in member countries to determine their interest in contributing to the network as part of existing PFM programs.  *To facilitate confirmation of all Ministers’ of Finances of PEMPAL area countries. Confirmation has to consist: - annual subscription (nominal sum) of the participated country; annual agreement signed by the Minister or assigned Deputy Minister to Annual Report and Action Plan of PEMPAL activity; Do not co-operate with the country without this confirmation. Promotion of other Projects financing by donor organizations of PEMPAL has to be coordinated with the Agreements implementation, as success of Public Finances area (like transparency, efficiency) tied with all other Project successes usually. (IACOP) –translation via survey instrument very poor, so editing had to be done to make it coherent*  **Other ideas provided by members in response to the survey are as follows**:   * Given the fact that all donors have the proper authority in almost all the countries, we could use their authority in the countries where they operate for more active promotion of PEMPAL (TCOP) * More distribute the materials discussed in PEMPAL to the larger audience. (TCOP) * Always need to identify the best practices in public finance management in the countries for distribution. (TCOP) * Expand the range of sponsors (TCOP) * Organize meetings more often and in a narrower format with COP members (BCOP) * For financial stability it's possible to involve donors from each country who are also working in PFM. * To improve financial stability - the search for new donors, as well as new solutions for financing PEMPAL by the already existing donors. In terms of effectiveness - the release of such joint final products ( as IACOP makes) as brochures; manuals on openness, fiscal consolidation, fiscal literacy; increase (analysis) the effectiveness of budget expenditures and other relevant topics (BCOP EC) * One way to improve the effectiveness of PEMPAL would be to facilitate small internship /peers exchange of experience programs. (IACOP) * Subscription of the participated countries (IACOP) * Represent paid services for the dissemination of knowledge and experience (IACOP) * look for new donors, to attract more countries from the region to participate in the community (IACOP) * Try to get support from EU also (IACOP) |
| 1. **Frequency of contact between network members**   Means of Verification: Periodic independent evaluations eg network density, centrality and diameter assessments**.** Independent evaluation outside scope of review. Such network density analyses was also outside scope, given they are based on social network analysis methodology, requiring some level of technical expertise and specialist software. However, questions were incorporated into the MTR survey that asked individual countries to identify which other countries they were in contact with outside of formal events.    No target set, although the conditions of an effective network is regular formal and informal contact inside and outside of formal events, to build trust and to facilitate discussion and work on common PFM issues.  Baseline information available from 2012 external evaluation report although assessment mapped contact between individuals rather than country basis. However, some conclusions can be drawn.  From 2012 results, it was evident that IACOP was a much more active network, reporting 200 connections in 2011 compared to BCOP and TCOP of 15 and 16 respectively (page 45, Main Report), although the analysis warned also that TCOP and BCOP had more non-members ‘outsiders’ at the time that were not regular participants in the network.  Although not directly comparable with 2015 survey results, particularly given improved targeting of survey to actual members and no ‘outsiders’, some conclusions can be drawn. Some growth is suggested particularly in TCOP and BCOP with periodic and regular contact between all Executive Committee members reported across all COPs. No one in these Committees indicated that they did not contact other members outside of formal events. Improvements in contact between members also evident, with IACOP still showing the most contact, compared to other COPs.  For other members, 55% of BCOP survey respondents to this specific question (12 people) reported being in contact sometimes, and 23% (3 people) in regular contact noting the size of the network is estimated to be 61 core members. For TCOP, 61% (23 people) of those that responded to this question were in contact sometimes and 8% (3 people) in contact regularly, within the network of around 119 core members. IACOP reports that 75% of respondents are in contact sometimes (24 people), and 16% (5 people) in contact regularly, within the network of 65 core members. |
| **Status of Progress and Performance:**  **From the MTR member survey, there is significant evidence of contact between members outside of formal events, particularly from IACOP, which is a positive sign of network strength, and facilitation of trust and friendships to promote information sharing.** Contact is also driven by the member countries represented in the Executive Committees (8 member countries for BCOP and TCOP and 9 for IACOP). IACOP members have the most contact, with only 9% indicating no contact, compared to 23% of BCOP members, and 32% of TCOP members. Email is still the main medium of exchange, although IACOP also use wiki, particularly by the Executive Committee. Phone/skype is also being used with the most common reason for contact across all three COPs is the sharing of information. Analysis is provided below of the results of the MTR member survey distributed to each COP. (*Attachment 9b,c,d,* Information Annex)  **For BCOP (excluding Executive Committee members) 23% indicated they never contacted other members between events, with 55% (12 people) in contact sometimes, and 23% (3 people) in regular contact,**  in context of network of 61 core members (with not all responding to survey, or to this particular question). Most of this contact is via email (94%) but also by phone (35%). Armenia and Russian Federation (7 members each) and Kyrgyz Republic (5 members) are the countries most contacted by members. All other countries were chosen at least 1 to 4 times, except no contact was made with Hungary or Czech Republic (given they are not members of BCOP) or Romania. For Executive Committee members, contact is more frequent with 43% of members in regular contact or 57% in contact sometimes with email used most frequently but half of these members also use phone. No one in BCOP indicated they were in contact by wiki. For the Executive Committee there is evidence of the most contact between member countries in the Committee and no contact with the same countries listed by members (Hungary, Czech Republic and Romania). Most of the reason for contact between events was the same for members and Executive Committee members – sharing of information (82-83%) although COP event preparation and discussion of PFM reform issues was also a significant reason for members (47%) and Executive Committee members (67%). Friendships are also evident with 35% of members and 50% of Executive members indicating the contact was for social issues.  **For TCOP (excluding Executive Committee members), 32% indicated they never contacted other members between events, with 61% (23 people) in contact sometimes, and 8% (3 people) in contact regularly** in context of119 core members (with not all responding to survey). For Executive members, 33% were in contact regularly and 67% sometimes. Most of the member contact was by email (100%) with some use of phone (23%) and wiki (4%). Executive members contact was by email (100%) and phone (33%) with no use of wiki indicated. The primary purpose of the contact was sharing of information (80% members, 100% executive members) and COP event preparation (52% members and 67% executive members). Although discussion of PFM reform issues and social issues were also indicated as reasons for contact (36% members, 44% executive members). Countries most contacted between events were Azerbaijan and Russian Federation (11 members each), followed by Georgia (9 members), Ukraine (8 members) and Albania, Belarus, Kazakhstan, Moldova and Turkey (7 members each). For the Executive Committee, Azerbaijan is also contacted the most with 6 members, followed by Moldova (5 members) and Georgia and Ukraine (4 members). Countries not contacted at all by any members were Czech Republic and Hungary (given they are not members of TCOP) but also Kosovo, Romania. The Executive Committee members also had no contact with Armenia, Serbia or Uzbekistan.  **For IACOP (excluding Executive Committee members), 9% indicated they never contacted other members between events, with 75% (24 people) in contact sometimes, and 16% (5 people) in contact regularly,** in context of network of 65 members (with no all responding to question on this in survey). For Executive members, 57% were in contact regularly and 43% sometimes. Most of the member contact was by email (96%) with some use of phone/skype (32%) and wiki (14%). Executive members contact was by email (100%) and phone (57%) with 43% using wiki. The primary purpose of the contact was sharing of information (72% members, 100% executive members) and COP event preparation (52% members and 86% executive members). Although discussion of PFM reform issues (14% members, 29% executive members) and social issues (17% members, 29% executive members) were also indicated as reasons for contact. Countries most contacted between events were Moldova (14 members), followed by Croatia and Bulgaria (13 members), Hungary (11 members), Bosnia and Herzegovina and Montenegro (9 members) and Ukraine (8 members). For Executive Committee members, they indicated that they contacted Moldova, Croatia and Bulgaria the most with 5 members each, followed by Armenia, Georgia, Hungary (4 each). Azerbaijan and Uzbekistan were the only country that members indicated they weren’t in contact with outside formal events. The Executive Committee also indicated it had no contact with Belarus, Kazakhstan, or Kyrgyz Republic. |
| 1. **Relevance and usefulness of opportunities and resources provided by the network**  (as measured by indicators related to knowledge applicable to daily work, event addressed issues important to my work etc)   Means of Verification: Responses to post meeting surveys as reported by participants. Periodic independent evaluations (as reported by Deputy Ministers /Heads of Organizations). For purposes of MTR, post meeting surveys used given independent evaluation outside scope of review.  No target set, although the higher the ratings the better given objectives to provide quality network products and services.  Baseline information from CY2013 provided as reported by Secretariat.  Results indicate relevance and usefulness of opportunities provided by network has been rated high in CY 2013 and CY 2014, and shows improvement in knowledge obtained being increasingly applicable to daily work. Evidence provided from COPs of increased collaborations with professional associations over the strategy period. |
| **Status of Progress and Performance:**  **The relevance and usefulness of opportunities provided by the network has been rated consistently high in CY13 and CY14,** and shows improvement in the knowledge obtained through PEMPAL as being increasingly applicable to daily work. (*Attachment 1*, charts sourced from 2014 PEMPL Annual Report prepared by Secretariat). *Attachment 4* also provides a compilation of examples from member countries which provide further evidence against this indicator.  **COPs have established collaborations with several professional associations, international and government organizations**.  For BCOP, close collaboration has been established with the OECD, for active participation and contribution to agendas of the annual Senior Budget Officers meeting for the CESEE region, and periodic participation in OECD benchmarking surveys. One member of the Executive Committee also attended the OECD Performance Network meeting in 2014. In 2015, BCOP Executive Committee also conducted a study visit to National Treasury of South Africa, and while there, exchanged information with CABRI, a network similar to PEMPAL. Through study visits, undertaken during the strategy period, it has also established relationships with South Africa (2015), Ireland, Slovenia, Austria, Poland and UK. It has also established links with IMF, and other international organizations such as the International Budget Partnership. IMF and OECD regularly contribute presentations to event agendas and members have indicated an ongoing interest in gaining access to work and research done by the World Bank, IMF and OECD in the PEMPAL languages.  For TCOP collaborations have been established with the International Federation of Accountants (IFAC), IPSAS Board (IPSASB), and the Chartered Institute of Public Finance and Accountancy (CIPFA). In addition, TCOP conducted several study visits which resulted in establishing thematic contacts with the following peer institutions: United Kingdom Treasury, the Ministry of Finance of Austria, Ministry of Finance of Estonia and the Ministry of Finance and Strategy of South Korea. The TCOP thematic group on use of IT in treasury operations has also recently established thematic contact with the World Bank FMIS COP.  For IACOP, Executive Committee members visited South Africa and shared experience, which established collaboration with the National Treasury, the South African chapter of the Institute of Internal Auditors (RSA IIA), the Institute of Directors in Southern Africa (IoDSA) and Auditor-General of South Africa (AGSA). In addition, the IACOP is closely collaborating with SAIs of member countries, and MOFs of countries with advanced Internal Audit system. As a Chair of IACOP, Ms. Nino Eliashvili presented experience of IACOP during the network meeting of the Southern Africa Development Community Organization of Public Accounts Committees (SADCOPAC) and the Eastern Africa Association of Public Accounts Committees (EAAPAC). SADCOPAC/EAAPAC network meeting was held in South Africa on February 2014. The main objective of experience sharing was discussing success factors of effective professional networks, in particular the Internal Audit Community of Practice. Some ExCom members (Edit Nemeth, Ljerka Crnkovic) are also participating in the Effective Institutions Platform's survey on Peer Learning in the Development Process in 2015.[[95]](#footnote-96) |

**OUTPUT OBJECTIVE 4: Awareness of high government and political levels is raised regarding the benefits and value of engaging through PEMPAL**

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| 1. **Number of Ministers/Deputy Ministers and other high level officials attending or opening events**   Means of Verification: PEMPAL performance indicators, with strategy indicating that this was a new indicator. Reporting not systematically done by the Secretariat for these levels, particularly if participants only attend events to open them, and thus would not be included in the formal List of Participants. COPs provided some data in their submissions but collection and reporting could be strengthened in the future.  No target set.  Baseline information not available, given COPs reported for the strategy period, rather by a year by year assessment. With increasing trend of more member countries hosting events, there is evidence from COPs that this has led to increased senior official involvement. Twenty three events were hosted by the member countries over the last three calendar years, with quotes of support from senior levels provided by COPs as evidence. Improved collection and reporting of information for this indicator is required. |
| **Status of Progress and Performance:**   1. **In the majority of cases when events are hosted by the member countries, senior leadership of the Ministry of Finance and the Treasury (in case of TCOP) attends opening sessions of the events** and has an opportunity to get familiar with PEMPAL from the introductory presentations of the COP Executive Committee usually included in the agendas of the opening sessions 2. **The number of Ministers and Deputy Ministers and other high level officials attending or opening events has increased** as evidenced by multiple quotes from various senior officials of their support to PEMPAL provided by the COPs (refer *Attachment 4*). For example:    * The Minister of Finance and the Minister for Open Government of the Russian Federation opened the 2014 Cross-COP meeting in Moscow and stayed for the first session.    * First Deputy Minister of Finance of Armenia Pavel Safarian attended plenary meeting in Slovenia and OECD SBO in the Hague; Deputy Minister of Finance of Belarus Maxim Yermolovich participated in the study visit on the UK reforms in financing public education; Minister of Finance of Kyrgyz Republic, Olga Lavrova participated in the study visit to Austria on the parliamentary role in budgeting, two Assistant Ministers from Serbia and Bosnia and Herzegovina attended the Study Visit to Slovenia, and the Treasurer of Croatia attends BCOP plenary meeting given the value of such meetings (refer to his positive feedback provided in a letter below).    * Miljenko Fiçor, Assistant Minister and Chief State Treasurer from Croatia provided the following in his thank you letter sent to BCOP:   ‘*Although the costs of organizing such events are very high, especially when joint plenary meetings of all three Communities are organized, our opinion is that such exchange of experience, with topics that are of interest for all participant countries, is invaluable, and that they should continue in the future as well, in spite of certain difficulties*.’   * + For TCOP 3 Ministers, 6 Deputy Ministers and 8 Treasury Heads attended events during the strategy period. 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   * + - IACOP reported that several Ministers and Deputy Ministers of Finance have shown their support for PEMPAL through the statements made during the opening sessions for IACOP meeting.   Lukáš Wagenknecht, First Deputy of Minister of Finance, Czech Republic “*I just returned from PEMPAL Internal Audit Community of Practice conference in Astana and want to express my admiration for making it such a worthwhile experience. I was pleased to hear about the positive feedback from organizers and participants on the value we have managed to provide to the IA COP during the meeting. The working groups were relevant and very helpful to our reform agenda. I especially liked the level of proficiency and engagement of all participants.*”  Sources of Quotes: COP Submissions A*ttachment* 2, Information Annex, excerpts reproduced in *Attachment 4*. |
| 1. **Awareness of high level officials of PEMPAL activities.**   Means of Verification: Independent evaluation results. For MTR, such an evaluation was outside scope of review, so COPs were asked to provide examples of awareness of high level officials in their submissions to the review.  No target set.  Baseline information not relevant although views on raising awareness were reported as part of 2012 external evaluation. Importance of awareness of particularly political levels was emphasized to facilitate attendance at events; to ensure stronger connection between countries’ policy priorities and the COP work agendas; and to facilitate the needed political will to implement reforms. IACOP was reported as acknowledging the importance of political support explicitly in its strategic thinking, by keeping Ministers informed of progress and results and inviting them to events, where relevant. (Main Report page50)  Since 2011, contact with political levels has been improved with coordinated thank you letters to Ministers advising of results and progress of all COPs. General improvements also evident in marketing and communication approach developed and implemented by Secretariat. SECO would like more focus on this, and strategies could be investigated such as |
| **Status of Progress and Performance:**  **The Secretariat revised the approach and annual thank you letters are now sent to all Ministers**, with an annual report reporting on all activities and participants from all COPs from that specific country (whereby previously before the strategy, letters were sent from each individual COP independently).  **According to SECO, it is not clear how current marketing and promotional strategies are directly contributing to raising awareness of high political levels**. SECO sees room for improving objective 4 given it is unclear to what extent information such as thank you letters and other reports draws higher level management attention to the PEMPAL initiative.   * Strategies adopted by other networks such as CABRI to raise awareness could be considered (eg developing positions on certain key PFM issues on a PEMPAL basis and feeding them into international policy deliberations as CABRI did on aid transparency, refer *Attachment 10* of the Information Annex for more information.   **In the original strategy it was also indicated that it may be possible to see if PEMPAL could be allocated time at the annual Washington meetings to determine interest by Ministers and Deputy Ministers in a ministry to ministry network**. This should be considered as part of any feasibility study, if such a study goes ahead. The work of PEMPAL could also be showcased at such meetings, as a strategy to raise awareness of political levels.  **There is evidence of improved branding and marketing of PEMPAL although reporting could be more concise and processes streamlined.** During the strategy period, a number of activities to strengthen PEMPAL marketing and communication were developed and delivered. Detailed information on these activities are at *Attachment 3*, of the Information Annex. Currently on an annual basis, thank you letters to Ministers are prepared and a formal report on PEMPAL activities produced. Quarterly newsletters are also prepared, with these recently moving away from detailed PDF formats, to a more results focused online delivery approach, using a free newsletter tool, Mail Chimp. Quarterly reports were also produced by the Secretariat as a condition under the contract held with the World Bank. All reports were prepared by the Secretariat with the input by the COP resource teams, where needed. All reports, except those produced under the conditions of the Secretariat contract, were reviewed and approved by the Steering Committee. Annual reports are placed on the website, as well as distributed to key stakeholders in hard copy. Given this volume of reporting, COP resource teams were sometimes approached by different people within the Secretariat, requesting the same input, thus processes and coordination could be improved. The Secretariat was working on this during 2015, but no strategies were implemented given the decision to end the contractual arrangements after June 2015. Thus, interim reporting arrangements and any new Secretariat mechanism, will need to consider these recommendations in streamlining and improving outputs and reporting processes.  **PEMPAL webpage is the main online tool for promoting PEMPAL activities, including those of the Steering and Executive Committees**. Apart from maintaining the website with all materials, the Secretariat also prepares a short video at the end of main events as a record of key results, which is also placed on the website, along with event materials. PEMPAL stationary, designed by the Secretariat including pens, folders and other meeting materials displaying the PEMPAL logo and design, were also adopted for major meetings. The Secretariat also hired local photographers for larger events to capture work results, and each participant is issued a group photo along with a certificate of attendance (for BCOP and IACOP only – TCOP only issues certificates to hosting countries). Frequently asked questions are also included on the website (since 2012). A separate marketing plan was implemented for the CROSS COP plenary meeting in Moscow in May 2014 *(Attachment 3*, Information Annex) given the large scale nature of this meeting. Strategies used included branded bags, memory sticks, promotional roll-up banners, and television video scripts promoting COP activities and results (scripts were prepared by the COP Executive and resource teams). More engagement of the COPs was evident for this meeting, with more use of virtual tools (demos of web based tools, portals of member countries).  **The Secretariat has developed a revised marketing and communication plan** **although it should be reviewed in light of the outcomes of the review** (*Attachment 3*, Information Annex). For example, given a range of products and services and professional collaborations have been established as evidenced by the information collected as part of the review, this plan should be revised in the context of future network wide strategic planning process, with PEMPAL products, services and collaborations more clearly identified. Further, in SECO’s view, a targeted communication and marketing plan to promote the program to donors and professional associations, is still missing. Even with such a plan in place, SECO believes that the focus should not only be on acquiring more donor financing but also on how to address the potential of member contributions in order to become more independent.  **The donors emphasized the importance of disseminating the results of PEMPAL widely and ensuring the reporting is concise and with the right focus**. Although there is a lot of information on the website and in the annual report, the Ministry of Finance of the Russian Federation recommends that reporting be streamlined as it is currently too abstract. A focus should be on outcomes and core issues/problems and solutions, and ensuring the work has an impact outside of PEMPAL. ‘*We should remember that PEMPAL was created to help strengthen finance management, fiscal transparency, and accountability in a region and this is a core priority of our collective work’*. SECO advises that it is often difficult to understand from the reports on individual activities the benefits of these activities for members as outcome statements are often very general eg discussions were informative and helpful. Thus SECO recommends that a specific section on the achievements in each COP be added to the annual report. It is also unclear how COPs are dealing with results of individual meetings and how these are used to define the COPs agenda. SECO also recommends the COP Chairs could provide more information to the SC when presenting their action plans. |
| 1. **Views of senior officials about value of engaging with PEMPAL to their country and its role in facilitating PFM change.**   Means of Verification: Independent evaluation results. For MTR, such an evaluation was outside scope of review, so COPs were asked to provide examples of views in their submissions to the review.  No target set. Baseline information not relevant although views were reported as part of 2012 external evaluation report. Interviews with senior officials and deputy ministers conducted in 2011 indicated positive views about the value of PEMPAL for their country and region. The key to this value is the opportunity to learn from other countries, including mistakes made to assist in avoiding them in reform design. The benefit for individual professional advancement was also highlighted, with one country (Croatia) indicating that the impact of reform development of PEMPAL on more advanced countries would be limited, although benefits for individual and organization still hold. Senior officials who had hosted events also indicated value of being put under scrutiny of regional peers, to be able to showcase progress, and to provide opportunities for networking (Executive Summary of report, page xi).  Positive views evident that PEMPAL is valued in its role in facilitating PFM change. |
| **Status of Progress and Performance:**  P**ositive views evident from examples provided by COPs**. Refer to indicator 1 for examples. Since 2012 evaluation report, COPs have implemented recommendations to ensure products and services differentiated to meet needs of more advanced countries as well as less advanced as reported under other indicators. |

# Attachment 4: Success Stories and Evidence of PFM Results

**Measuring the strategy/goal impact level is very difficult as there are multiple factors that impact on the PFM performance of a country**. According to results framework theory, the impact level should not be monitored but should be evaluated in periodic, independent evaluations. ‘The extent to which PEMPAL is shown to contribute (attribution) is essentially not easily measurable.’[[96]](#footnote-97) However, the country level success stories provided below do provide anecdotal evidence. It is also worth noting that in the last independent, external evaluation concluded in 2012, it was found that PEMPAL was having a positive impact on public finance management in 13 to 15 of the 20 countries who were members at the time.

**The examples provided below have been taken from formal submissions to the review made by COPs and reports made from current donors**. In addition, qualitative feedback given by members has been provided as part of their responses to the MTR member survey. Full copies of these reports are available in the separate *Information Annex*.

## Budget Community of Practice

**There are several ways that BCOP supports the adoption of good PFM practices**:

1) Sharing country case studies from PEMPAL and other regions that identify good and innovative practices and discussing solutions to common problems with peers within the annual plenary meeting

2) Examining a country’s approach in-depth through study visits to specific countries.

3) Providing technical PFM reports and studies in PEMPAL languages to allow member countries access to the latest trends and approaches.

4) Supporting participation in formal and informal benchmarking eg participating in informal pre-event thematic surveys and formal surveys. During the strategy period, informal thematic surveys have been conducted on program and performance based budgeting, results-based monitoring and evaluation, and fiscal consolidation. A further survey is planned in 2015 on budget literacy. Formal surveys conducted include the OECD budget practices and procedures survey and World Bank wage bill survey. Participation in these two formal surveys resulted in important knowledge products for BCOP, which increased knowledge of wage bill practices and budget practices and procedures in BCOP member countries.

According to Mikhail Prokhorik, Deputy Head of the Consolidated Budget, Ministry of Finance, Belarus and BCOP Executive Committee member:

*‘We are also using working groups to meet via videoconference on specific reform issues on an ongoing basis. Wage bill management is a key challenge to many of our countries and it is usually the largest item of expenditure in a government’s budget so meeting regularly to share and develop improved approaches has been very beneficial to my country. ’*

(Source: Feedback provided at BCOP 2015 plenary meeting on fiscal consolidation)

According to Mladenka Karačić, Head of State Accounting Division in State Budget Execution, Ministry of Finance of Croatia, and member of BCOP Executive Committee:

*‘Reform areas identified by PEMPAL are aligned as much as possible with Government priority areas. This is due to an annual consultation process whereby all country members get an opportunity to express their preferences. Not all preferences can be accommodated given the limited budget and time available to participate, but we have found that most countries are working hard on the same reforms. Those reforms are chosen as topics to be addressed in the annual plenary meeting of all members. Other priorities common to a subset of member countries are then accommodated by smaller study visits or working groups.*

*(*Source: Feedback provided at BCOP 2015 plenary meeting on fiscal consolidation)

**The following examples were gained from post-event surveys issued after every major event which provides feedback from members on how PEMPAL learnings and networking have or will be used by BCOP**:

“*Step-by-step implementation of program budgeting is envisaged in Republic Uzbekistan’s Concept of Budget Policy Main Directions and Development. I think, I can fully apply all knowledge and experience, acquired in BCOP Plenary meeting.*”

“*The presentations were very useful in describing where different countries are in terms of Budget Planning, Evaluating and Monitoring.”* (Source: post-event survey feedback report, from 2013 plenary meeting in Albania).

“*PEMPAL is unique in offering its members the opportunities to exchange views with the colleagues from other countries which work on the same jobs. This focus on practice rather than theory is very useful. Study visit organization is superb in that it first allows us to shape the agenda by identifying our specific interest prior to the study visit, and then allows us plenty of time to ask questions and discuss throughout and after the presentations with the speakers and colleagues from other participating countries.”* (Source: Feedback provided by Milovan Filimonovic, Ministry of Finance, Serbia, at conclusion of 2014 BCoP Study Visit to Slovenia).

Also refer to examples provided by members provided later in this attachment in response to the on-line survey distributed for the purposes of this review.

**Countries sharing information on their reform processes has had a positive impact on PFM systems and some countries have provided concrete examples of this:** The success of the Russian Federation has contributed significantly to PEMPAL as they share details of their reforms widely across the network through presentations at events; and sharing methodologies, guidelines and approaches with other PEMPAL member countries.  For example they hosted a meeting on fiscal transparency and accountability and provided an in-depth overview of their transparency reforms[[97]](#footnote-98), in addition to hosting several study visits over the strategy period for TCOP and IACOP on FMIS and internal audit approaches, respectively and presenting their reforms in program budgeting and MTEFs to PEMPAL and the SBO network.[[98]](#footnote-99)  The Russian Federation has also benefited from the insights gained from the good practice of countries which have been identified as leaders in reforms, and who PEMPAL has invited to share their approaches at events or through study visits (eg BCOP study visit to South Africa in 2015, to examine PFM reforms given they scored second in the OBI index in 2012).

Similarly Kyrgyz Republic has recently been assessed by the US State Department as having the most open budget in central Asia. It has been pursuing an ambitious reform program which includes active participation in BCOP including regularly sending additional participants (at its own cost) to PEMPAL events. Kyrgyz Republic is a very active member in the network, having attended for example the fiscal transparency and accountability cross-COP meeting, PEFA workshop and also documenting and benchmarking its budget practices through participation in the OECD budget practices and procedures survey implemented jointly with PEMPAL. A representative from Kyrgyz Republic along with representatives from Albania, Armenia, Belarus, Bosnia-Herzegovina, Croatia, Russian Federation and Turkey also sit on the BCOP Executive Committee which reflects the value that member countries see in active participation in PEMPAL as part of their reform programs.

**The following quote from the BCOP Chair is also provided as supporting evidence that PEMPAL has facilitated the application of good practices and improvements**:

“*We would like to thank PEMPAL and OECD for their support in facilitating participation of our PEMPAL member countries in the budget practices and procedures survey and the annual SBO meetings. This has increased our exposure to international PFM good practices and trends and assisted us to document and benchmark our practices.”* (Source: Feedback provided by Konstantin Krityan, Ministry of Finance, Armenia at conclusion of 2014 OECD CESEE SBO meeting).

**Several Ministers and Deputy Ministers of Finance have shown their support through opening BCOP meetings**. For example, the Deputy Ministers of Finance opened the plenary meetings in Albania and Armenia, the First Deputy Minister opened the study visit at Georgia, and the Director General of Budget and Fiscal Control opened the plenary meeting in Turkey (Mr Ilhan Hatipoglu, from Turkey, acknowledged the value of the PEMPAL network in discussing common problems, sharing information, and coming up with solutions to reform challenges).

**Several BCOP Executive Committee members have also become senior officials during their time with PEMPAL, and have contributed some of their success or that of their Ministries to involvement in the network**. For example the former Chair of BCOP Executive Committee and now Deputy Chair, was promoted to Secretary General, of MoF Albania (the highest civil service position in the Ministry of Finance). Also Hakan Ay, was promoted to Deputy Director General, DG Budget and Fiscal Control, in the Ministry of Finance, Turkey; and Maxim Ermolovich, Chair of the BCOP Executive Committee from 2011-12 was subsequently promoted to Deputy Minister of Finance of Belarus.

*Gelardina Prodani, Ministry of Finance of Albania, former Chair of the BCOP Executive Committee for 2 years: “Discussing common public finance issues with my peers has been a tremendous benefit to me both professionally and personally.  It helps my work to identify and share good practices not only from BCOP member countries, but OECD and other Ministries of Finance from around the world”.* (Source: Quote collected for purpose of BCOP promotional video script used at 2014 Cross-COP meeting).

*Maxim Ermolovich, Deputy Minister of Finance, October 15, 2014 at the  
opening of the workshop TCOP PEMPAL "Finance Management Information  
Systems (FMIS) Projects Implementation":"Ministry of Finance of the Republic of Belarus is interested in receiving information from colleagues who have experience with similar projects to improve the efficiency and transparency of public finance management system, in the expert community support PEMPAL.’*

**For the Cross-COP meeting in Moscow, the Minister of Finance and the Minister for Open Government of the Russian Federation opened the meeting, and stayed for the first session showing their commitment to the value of PEMPAL**. The Minister of Finance also stressed the importance of openness of government. He emphasized that this was a continuous process where governments can benefit from the new developments in other countries. (Ministry of Finance of the Russian Federation is also a key donor to the program, and are active members on the Steering Committee and all three COP Executive Committees, further showing evidence of high level support to the network from member countries).

**In addition, the participation of the highest-level civil servants in the PEMPAL events is on the rise including acknowledgements of the value of their participation and that of their ministries** – for example, First Deputy Minister of Finance of Armenia Pavel Safarian attended plenary meeting in Slovenia and OECD SBO in the Hague; Deputy Minister of Finance of Belarus Maxim Yermolovich participated in the study visit on the UK reforms in financing public education; Minister of Finance of Kyrgyz Republic, Olga Lavrova participated in the study visit to Austria on the parliamentary role in budgeting, two Assistant Ministers from Serbia and Bosnia and Herzegovina attended the Study Visit to Slovenia, and the Treasurer of Croatia attends BCOP plenary meeting given the value of such meetings. Evidence of this is provided through the very positive feedback received in 2015 from the Croatian Treasurer acknowledging the value of BCOP and PEMPAL and complimenting the program on how well-organized and beneficial it is:

*Although the costs of organizing such events are very high, especially when joint plenary meetings of all three Communities are organized, our opinion is that such exchange of experience, with topics that are of interest for all participant countries, is invaluable, and that they should continue in the future as well, in spite of certain difficulties.* Source: Thank You Letter from Miljenko Fiçor, Assistant Minister and Chief State Treasurer from Croatia (full letter provided in BCOP Submission to MTR, *Attachment 2a, Information Annex*).

Similarly very positive feedback was also received regarding the Secretariat from high level participants from Kyrgyz Republic Government.

*Hereby, the Ministry of Finance of the Kyrgyz Republic would like to present its respect and take this opportunity to express cordial appreciation and gratitude for the organization of the PEMPAL BCOP Plenary Meeting in Yerevan, Armenia, on 11-13 February 2015.*

*On behalf of the delegation of the Ministry of Finance of the Kyrgyz Republic, we would like to express our particular gratitude to the responsible representatives of the PEMPAL Secretariat, and namely to Ziva Lautar and Kristina Bogdan, for providing exceptional logistical support services for the meeting.*

*It is worth mentioning that all the activities within the meeting have been organized at a highly professional level.*

*The Ministry of Finance of the Kyrgyz Republic highly appreciates the efforts of the PEMPAL Secretariat and sincerely hopes for further mutually beneficial and fruitful cooperation.*

Translation of Letter received by the PEMPAL Secretariat from the Deputy Minister, A. Azimov

## Treasury Community of Practice

**There are several ways that TCOP supports the adoption of good PFM practices**:

1) Event agendas envisage numerous member country cases, highlighting various experiences in PFM reforms implementation;

2) Organizing study visits to the countries with solid experience in implementing PFM reforms;

3) Involving well known PFM experts, offering valuable support in such areas as public sector accounting, use of information technologies in treasury operations, cash management, etc;

4) Conducting thematic surveys on various areas, helping member countries assessing the status of implemented reforms.

**The information below comprises some cases of application of good PFM practices resulting from using PEMPAL TCOP learnings**: Knowledge acquired during the TCOP events was helpful for **Albania** in the process of developing the following normative acts:

Instruction of Minister of Finance “On the procedures of closing annual accounting period”, which consists on inclusion of self-financing units accounting data in the annual financial statements;

Order of Minister of Finance “On unified bank account of custom administration in commercial banks”, to implement “Live” the new automated Customs system: E-Payment to record in real time transactions and reconciled automatically by the system the prepayment of taxpayers with customs’ declarations, which effects the cash management ;

Instruction of Minister of Finance “On the changes of the instruction “On Value Added Tax, changed””, which consists on VAT reimbursement payments through AGFIS (automated Treasury IT system);

Law “On late payments of contractual and commercial agreement”, which improved the financial forecasting and cash management;

Council of Ministers Decision “On approval of new arrears prevention strategy, payment of outstanding arrears and the action plan”, which allowed to design the treasury system software to record multiyear commitments (4 years ahead) against medium term budget plan;

Instruction of Minister of Finance “On taxes payment of central and local government units through AGFIS (automated treasury IT system without cash flow through banking system ”, which effects the cash management and it’s achieved by the new tax administration system’s interface: E-Taxation (e-filling). In 2015 year it will be possible to generate daily tax revenues report by economic classification against monthly manual report of consolidated fiscal indicators.

Inspired by Georgia and Russian Federation experiences, **Azerbaijan** implemented portal solutions in its treasury information system, which excluded paper documents circulation. Some elements of financial reporting consolidation were implemented in this country, after the experience of Russia and Kazakhstan was demonstrated during the TCOP events.

**Belarus** has benefited from peer advice provided by TCOP members to their Belarus colleagues on their approach to the public finance management information system modernization. During the workshop held in Minsk in October 2014, the draft Concept of Modernization of the FMIS of Belarus was discussed by participants, and valuable comments and recommendations have been made.

**Georgia** has achieved a good progress towards Treasury Single Account and Treasury FMIS coverage of all levels of governments. Following the TCOP Kiev plenary meeting devoted to Treasury Control issues, Georgia shifted emphasis from the routine operation controls towards integration of all PFM operations in a single system with minor treasury interference. As a result, integration of local levels of budgets (municipalities’ budgets) in the Public Finance Management Information System was launched. Respective legal acts and regulations were passed through in 2014 and came into force in 2015.

Resulting from participation in TCOP events, **Kazakhstan** has undertaken the following steps:

Amendments to the fiscal legislation introduced (for accounting external loans (Georgia’s experience), restoration of the sum of investments in the separate and consolidated financial statements (Estonia’s experience), using of electronic invoices (Azerbaijan’s experience), accounting of concession in implementing the IPSAS 32 (UK experience));

Expansion of treasury functions and changes of treasury procedures according to the above legislation modifications.

The knowledge acquired during the TCOP events was helpful for **Moldova** as following:

Designing the new Budget Classification and Chart of Accounts in compliance with international standards – Order of Minister of Finance;

Draft annual state budget for 2014 developed applying the new Chart of Accounts integrated with Budget Classification;

The Law on Public Finance and Fiscal Responsibility envisages the Single Treasury Account operation principles, cash management and liquidity forecasting; management of commitments, differentiation of the reporting on budget performance and financial statements;

The matrix on EU budget support for PFM reform policies for 2015-2017, envisages establishment of the Council on accounting and reporting standards, responsible for developing the Concept and Action plans for the standards development and implementation

**Montenegro:** This country benefited from the peer advice provided by TCOP members to Montenegro colleagues on their approach to the public sector accounting reform, aiming for the transition to accrual accounting.

**Russian Federation** applied the knowledge from TCOP events in the process of PFM methodology development. Best practices were considered in the fiscal legislation amendment process (Budget Code and several instructions regulating methodology of accounting and reporting in the public sector).

**Ukraine** benefited from peer assistance provided by the TCOP members in the process of the new Chart of Accounts development.

**Tajikistan** used the knowledge acquired during the TCOP events in designing and implementing the new FMIS, as well as in the process of the public accounting reform implementation.

Several TCOP member countries provided information on various external evaluations / assessments conducted in their countries, which in their view illustrate progress in the areas addressed by TCOP:

**Azerbaijan**: PEFA – 2013, IMF SGF reports, rating agencies assessments;

**Georgia**: EC policy matrix and WB DPO policy matrix reflect IPSAS project progress.

**Albania, Russian Federation, Kazakhstan, Kyrgyz Republic**: IMF OBI index significantly improved

**Kazakhstan**: Finance management and procurement systems evaluation, IMF GFS report -2013, IMF report on issues related to financial reporting, accrual budgeting and budget risks management and audit

This data, however, should be used with caution as there were likely other activities / forms of assistance that contributed to these improvements, so attribution of improvements to PEMPAL activities might be hard to demonstrate.

**Several Ministers and Deputy Ministers of Finance have shown their support for PEMPAL through the statements made during the opening sessions for TCOP meetings**.

**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. 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.

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.

**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. Roman Artyukhin**, the Head of Treasury of Russian Federation, is 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”.*

## Internal Audit Community of Practice

At each event, IACOP collect stories that show the value of IACOP activities to different stakeholders. This is done with the help of ‘Value Detectives’ enabling group[[99]](#footnote-100). The results are on: <http://pempaltc.wikispaces.com/>

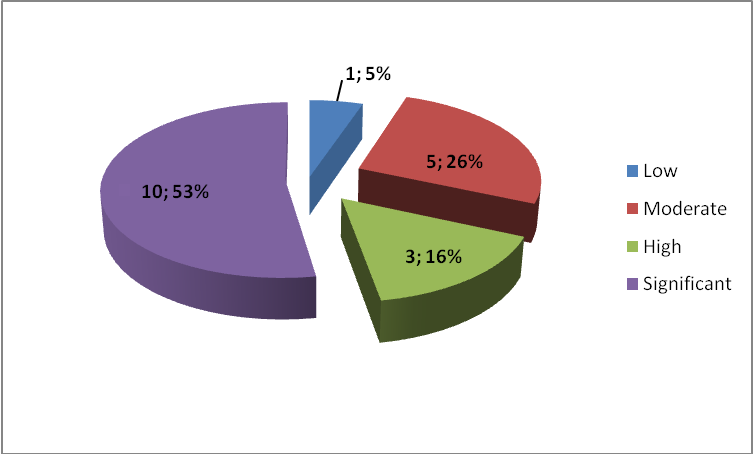
**There are several ways that TCOP supports the adoption of good PFM practices**:

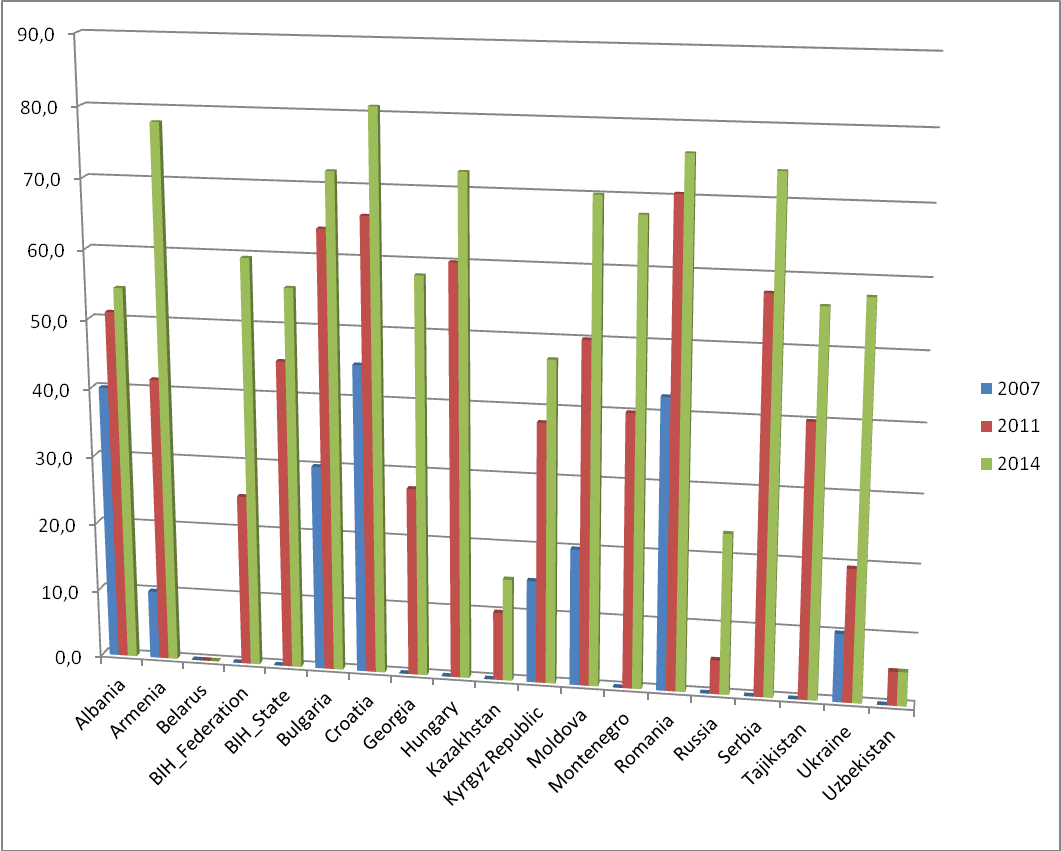
1. PEM PAL products are used as a basis for development of own countries methodology or for improving already existing one;
2. Countries understand they have similar problems and found solutions during PEM PAL events;
3. PEM PAL products, such as case studies are relevant for improving existing trainings.
4. PEM PAL gives the opportunity to apply other countries experience in the country you represent;
5. Participation is a mix of professional and private aspects, which represents an additional resource for information and serves as a source of knowledge.

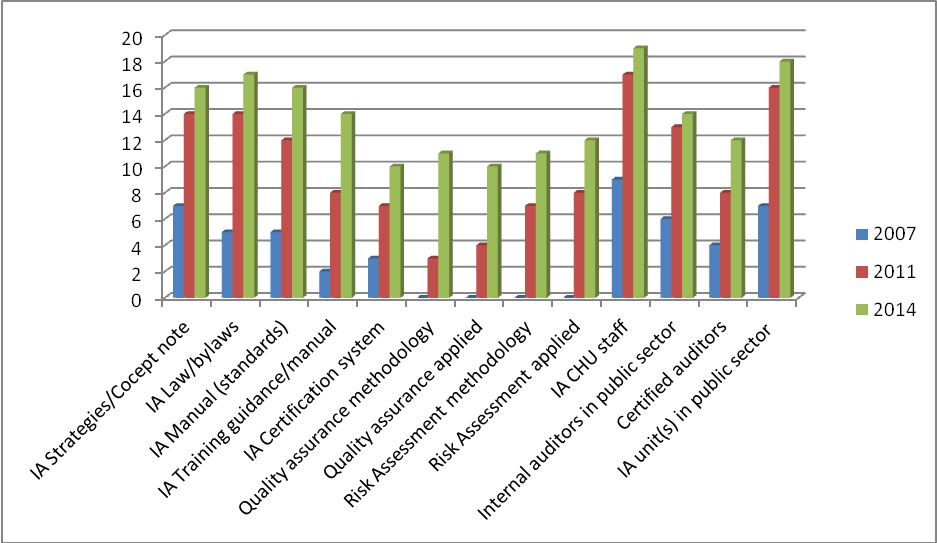
The enabling group has been collecting success stories from country participants during the meetings. Interviews were collected and introduced in a document, which is available on website and wiki: <http://www.pempal.org/success-stories/> <http://pempaltc.wikispaces.com/> http://pempaltc.wikispaces.com/Success+stories

**IACOP also conducts surveys of member countries to assess the progress made in internal audit reforms and role of IACOP with impact assessed as high in three countries (Bulgaria, Georgia and Kyrgyz Republic), significant in nine countries,[[100]](#footnote-101) moderate in five countries, and low impact in only one country**. The survey results demonstrates apparent progress made by majority of IACOP countries with major impact of the PEMPAL on those reforms of countries:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country** | | **2007** | **2011** | **2014** | **Progress** | **Impact** |
| 1 | Albania | 40,0 | 51,0 | 54,5 | 26,61% | Moderate |
| 2 | Armenia | 10,0 | 41,5 | 78,0 | 87,18% | Significant |
| 3 | Belarus | 0,0 | 0,0 | N/A | - | Low |
| 4 | BIH\_Federation | 0,0 | 25,0 | 59,5 | 100,00% | Significant |
| 5 | BIH\_State | 0,0 | 45,0 | 55,5 | 100,00% | Significant |
| 6 | Bulgaria | 30,0 | 64,0 | 72,0 | 58,33% | High |
| 7 | Croatia | 45,0 | 66,0 | 81,0 | 44,44% | Moderate |
| 8 | Georgia | 0,0 | 27,5 | 58,0 | 100,00% | High |
| 9 | Hungary | N/A | 60,0 | 72,5 | 17,24% | Moderate |
| 10 | Kazakhstan | 0,0 | 10,0 | 15,0 | 100,00% | Significant |
| 11 | Kyrgyz Republic | 15,0 | 38,0 | 47,0 | 68,09% | High |
| 12 | Moldova | 20,0 | 50,0 | 70,0 | 71,43% | Significant |
| 13 | Montenegro | N/A | 40,0 | 67,5 | 40,74% | Moderate |
| 14 | Romania | 42,5 | 70,5 | 76,0 | 44,08% | Moderate |
| 15 | Russia | 0,0 | 5,0 | 23,5 | 100,00% | Significant |
| 16 | Serbia | 0,0 | 57,5 | 74,0 | 100,00% | Significant |
| 17 | Tajikistan | 0,0 | 40,0 | 56,0 | 100,00% | Significant |
| 18 | Ukraine | 10,0 | 19,5 | 57,5 | 82,61% | Significant |
| 19 | Uzbekistan | 0,0 | 5,0 | 5,0 | 100,00% | Significant |
|  |  |  |  |  |  |  |
|  | **Scoring system** | |  | **Impact** | | **Results** |
|  | draft / half way / complete draft (laws regulations) | 2,5 |  | under 15% | Low | 1 |
|  | first YES | 5 |  | 15% - 45% | Moderate | 5 |
|  | update / new version or progress in numbers (of staff of internal audit units) | 1 |  | 45% - 75% | High | 3 |
|  |  |  |  | above 75% | Significant | 10 |







**Several IACOP member countries also provided information on various external evaluations / assessments conducted in their countries, which in their view illustrate progress**: Armenia and Kyrgyz Republic (PEFA assessments).

**Several Ministers and Deputy Ministers of Finance have shown their support for PEMPAL through the statements made during the opening sessions for IACOP meeting**:

Here are two example of written feedback on IACOP events:

**Lukáš Wagenknecht, First Deputy of Minister of Finance, Czech Republic**

“*I just returned from PEMPAL Internal Audit Community of Practice conference in Astana and want to express my admiration for making it such a worthwhile experience. I was pleased to hear about the positive feedback from organizers and participants on the value we have managed to provide to the IA COP during the meeting. The working groups were relevant and very helpful to our reform agenda. I especially liked the level of proficiency and engagement of all participants.”*

**Beerson Baboojee, National Treasury of South Africa**

*“Dear PEMPAL Friends,*

*You are such stars.*

*Congratulations on putting together such a wonderful event. It was one of the very best that I attended. The organisation of the plenary and the quality of discussions and engagements were excellent. One gets the genuine sense that people are there to genuinely share and learn, and not to be there just for a break away from their offices. Another striking aspect was the comaraderie amongst the PEMPAL members and the sense of enjoyment you have with being with each other.*

*We are looking forward to welcoming the budget COP to South Africa shortly. I have asked Gasper to contact me if he needs any assistance from this side. I am pleased that as South Africa we have the opportunity of working with PEMPAL. I hope that the IACOP can visit us again sometime.*

*Thank you for inviting me to the plenary. I will always recall my experience with much fondness.  Thank you also for inviting me to join the family - I will certainly sign up.*

*Please keep in touch. Be blessed!”*

## Donor Views on Successes of PEMPAL

The statements from SECO and the Ministry of Finance of the Russian Federation have been taken from their formal reports made to the review, provided in full in *Attachment 1* of the Information Annex. Constructive criticism and areas of improvement provided by donors have been included in the body of the report, and within the detailed assessment of performance indicators provided *Attachment 4*. The comment by the senior official at the World Bank was taken from an internal back to office report, provided by email.

**SECO**: In our view PEMPAL has performed well when it comes to establishing a peer-learning network which actually works and which provides benefits to its members. Since its establishment, PEMPAL has successfully overcome several difficulties. For instance, PEMPAL members are dealing with different political and economic conditions and reform needs are diverse. However, with its demand-driven approach and the technical support provided through the resource team PEMPAL has managed to become a network platform which is equally attractive to countries with different levels of economic development. PEMPAL has also overcome language barriers by working in three different languages.

Although there is still a different level of cohesion within each of the COPs, all three COPs are now well-established and have a committed and motivated membership. We also consider that thanks to the participatory and demand-driven approach COPs thematic focus responds to member countries’ needs. However, communication and exchange and the use of synergies between COPs could be strengthened more.

PEMPAL has also managed to develop knowledge products (e.g. documents in virtual library, manuals) which can be easily shared amongst members.

While we are convinced that PEMPAL is providing capacity building at the individual level, it is more difficult to assess to what extent PEMPAL is contributing to find practical solutions to advance PFM reforms in member countries. This issue has been extensively discussed within the network. However, despite the difficulties in trying to measure the effect of PEMPAL on country reforms we think it is important that PEMPAL keeps trying to grasp an idea of the impact of PEMPAL on national level reforms, e.g. via the collection of success stories. (Source: SECO submission to the review, *Attachment 1b, Information Annex*).

**MINISTRY OF FINANCE OF THE RUSSIAN FEDERATION**: Public Financial Management (PFM) issue remains one of the key activities within the framework of promoting further development in Europe and Central Asia region. We welcome the PEMPAL current successful results in the field of exchange of professional information and knowledge sharing between practitioners from member countries, international experts and others.

During the existence of the Program, it repeatedly showed interest of outside observers, as well as expand of its membership. PEMPAL certainly is a unique platform for the efficient and effective exchange of experience in the field of PFM, especially in such core areas as budget, internal audit and treasury, on problem-solving approach and learning by doing.

Collaboration of more than twenty countries in PEMPAL activities contributes to demonstrable improvements in various dimensions of PFM performance, through institutional capacity building in an individual country or group of countries of region.

PEMPAL became a sustainable platform in order to help build effective public financial management systems in region, share experiences and learn systematically from each other and from the leading experts in multilateral organizations. (Source: Ministry of Finance of the Russian Federation submission to the review, *Attachment 1a, Information Annex*).

**WORLD BANK:** A Senior Official of the World Bank also provided positive comments about feedback he heard about the network being a valuable resource by members after attending a BCOP plenary meeting in Armenia in 2015:

*At the PEMPAL meeting I delivered opening remarks and attended several sessions of the event which brought together senior budget officials from 22 ECA countries.  Member countries selected Fiscal Consolidation as the main focus of this conference.  Presentations were delivered by World Bank and IMF staff and representatives of the Ministries of Finance of Armenia and Russia.  Working group sessions allowed officials to discuss the practical problems they encounter with openness, allowing them to learn from each other’s experience.  My interactions with participants confirm that the network is seen as a valuable resource by its members.* *I encouraged the PEMPAL team to explore opportunities for coordination with networks in other regions and to use a survey prepared by OECD with PEMPAL support to provide a more systematic analysis of budget institutions in the ECA region.’* Source: Statement provided in internal report by Mario Marcel Culell, Senior Director, Governance Global Practice, World Bank.

## Views Taken from the MTR Member Survey

The following is a collation of views from members about the quality of knowledge products and services provided by PEMPAL. Where comments have come from members of the COP Executive Committees, they are highlighted with ‘EC’.

*I think that all materials and presentations prepared by BCOP at events as part of experience exchange between countries are very good quality. (BCOP* ***EC****)*

*Materials used for the work of CoP are of good quality, but the time often lacks for their full and consistent presentation, as well as discussion, i.e. consultations after the presentation of materials. (IACOP). I rated this way because the IACOP materials and resources are 1) useful and relevant to my work 2) high quality.(IACOP)*

*During the introduction of new PFM processes and procedures every country has its own specifics and other countries examples cannot simply be copied and therefore we use the other countries experience only when analysis is necessary. The materials used are of good quality and we have no complaints. (TCOP)*

*As part of the PFM reforms, we have to always refer to the COP materials because there we always discuss the actual and important for us issues. The best practices existing in the other countries are important too. (TCOP)*

*I have used materials from PEMPAL to improve the structure of the Unified Chart of Accounts (BCOP)*

*Republic of Croatia regularly monitors improvements and reforms as well as specific examples of good practice in the field of public finance. PEMPAL has been used for 1) improving performance indicators, evaluation and monitoring of results 2) establishing a quality system of internal financial controls in the treasury (revision of the existing control points and introduction of new ones); 3) the practices of member countries of the salary working group and some information will be used for the establishment of continuous monitoring and analysis of expenditures for employees as mandatory due diligence at all levels of government;4) in the field of planning, execution and accounting of income and expenses from the EU funds (pre-accession and structural Funds and other EU instruments) from Slovenia were obtained significant inputs that are used partly and fully in these processes. (BCOP)*

*Experience exchange especially with the neighbor countries helps us to gain considerable knowledge in the field of implementation of the budget in BiH. Although BiH has not fully implemented / introduced program budgeting, the acquired knowledge and experience will greatly help us to be more effective and functional as well as in implementation processes (BCOP EC****)***

*Yes, because these studies are used in the formulation of PFM policies, moreover, these studies help us to look at the problems from different angles. (BCOP)*

*We use the experience of countries on the development of their Citizen Budget projects, as well as the experience of countries participating in the study visit to Ireland on analysis of budget expenditure effectiveness ( BCOP EC)*

*The risk assessment has been improved thanks to IACOP, as well as the quality assurance of internal audit, especially internal ongoing assessment that is implemented in practice in my Unit.*

*We used the experience of colleagues from Bulgaria for strategic and annual planning based on risk assessment; filling out audit documents, using of sampling techniques. (IACOP)*

*Currently, the Republic of Belarus develops the PFM reform strategy. In this process, we use the materials and the experience of different countries to include the main areas of reform. (TCOP)*

*Knowledge and practices obtained in framework of PEMPAL are successfully using in developing of PFM methodology in the Russian Federation. Best practices are taken into account when we make changes to the regulatory framework of the RF budgetary system, as well as when we make introduction of the new technologies. The acquired knowledge is also reflected in publications of the Federal Treasury - on completion of the plenary meetings we develop relevant booklets, adopt experience is reflected in the publication of staff of the Federal Treasury in periodical media. (TCOP)*

*We increased the coverage of the TSA based on experience in peer countries. Also public nonfinancial assets accounting practices in other countries helped us think better how to deal with. (TCOP)*

1. The core team includes Elena Nikulina (Task Team Leader/TCOP Lead Coordinator), Ion Chicu (TCOP adviser/program operations adviser), Maya Gusarova (BCOP Lead Coordinator), Deanna Aubrey (BCOP resource person/network strategic adviser), Naida Čaršimamović Vukotić (BCOP resource person), Arman Vatyan (IACOP Lead Coordinator), Diana Grosu-Axenti (IACOP resource person). Marius Koen provides strategic oversight to IACOP/PEMPAL as a member of the Steering Committee. Nina Duduchava also provides support for implementation of electronic post event feedback surveys. Deanna Aubrey conducted the analysis and prepared the first draft of the report under the TTL guidance, the Bank team also supervised the development of COP submissions to the review. [↑](#footnote-ref-2)
2. Source: PEMPAL Strategy 2012-17, available at <http://www.pempal.org/strategy> [↑](#footnote-ref-3)
3. The goal/impact level has no actions in place (in line with results framework approach), and has three indicators and six external risk factors identified. One risk factor shows negative impact with countries reporting that it is difficult to directly attribute improvements in PFM systems to PEMPAL in available indicators. (Refer to the *Attachment 2* for more information). [↑](#footnote-ref-4)
4. Belarus reported low impact. Note results are displayed on a member country basis thus BiH Federation and BiH State, are counted as one, which differs to how results are presented in the IACOP submission, and in *Attachment 4*. [↑](#footnote-ref-5)
5. This was identified as a risk factor in the strategy. How identified risks are being managed are included in the report’s *Attachment 2*. [↑](#footnote-ref-6)
6. New and improved skills, knowledge and professionalism in PFM practices is an indicator set at the outcome level, so some of these results are also relevant for that level. [↑](#footnote-ref-7)
7. MTR survey results indicate 29% of BCOP, 37% of TCOP and 36% of IACOP, with TCOP showing significant increases from what was reported in 2012 external evaluation results, in response to the same survey question. Some increases also evident for BCOP between the two surveys. 67% BCOP, 53% TCOP and 52% IACOP also indicated that they were likely to use their experiences in the future in the 2015 MTR survey. (*Attachment 9b, 9c, 9d* Information Annex: individual COP MTR survey result reports). [↑](#footnote-ref-8)
8. As reported by Armenia, BiH (Federation and State), Kazakhstan, Moldova, Russia, Serbia, Tajikistan, Ukraine and Uzbekistan. Note BiH Federation and BiH State have been counted as one for purposes of reporting country progress, noting they both assessed impact of IACOP reforms as significant. [↑](#footnote-ref-9)
9. Reported by Albania, Croatia, Hungary, Montenegro, and Romania. [↑](#footnote-ref-10)
10. The outcome level has no actions in place (in line with results framework approach), and has two indicators and two external risk factors identified. (Refer to the report’s *Attachment 2* for more information). [↑](#footnote-ref-11)
11. As assessed by Ministers and Heads of Organizations, as required under this level in the strategy. [↑](#footnote-ref-12)
12. To overcome the difficulties of taking averages of averages, the Secretariat chose to use standard deviations from actual maximum and minimum values to record the results of survey feedback from multiple events. Thus these charts present these deviations. They had adopted this approach since 2012 and had planned to review it in 2016. [↑](#footnote-ref-13)
13. Source: Secretariat Annual Report 2014 taking available survey response data from COP events from 2013 and 2014. [↑](#footnote-ref-14)
14. Response rates to surveys have been declining over time across all COPs, although the average over the last few years remains relatively high at 64% (comprised 62% BCOP, 72% TCOP, and 59% IACOP) Source: Survey expert. [↑](#footnote-ref-15)
15. This is an indicator against Output Objective 3, but it is also relevant to ensuring the Outcome level is achieved, so is reported here in the report, but against the appropriate output objective in *Attachments 2 and 3*. [↑](#footnote-ref-16)
16. Average response rate for MTR member survey was 47%. However, in total 108 members responded out of a total of 229 invitations sent. This shows significant improvement to 2012 external evaluation survey response rates, which only resulted in 46 responses out of a total of 404 invitations sent. [↑](#footnote-ref-17)
17. EC – Executive Committee. [↑](#footnote-ref-18)
18. In line with what MoF, Russian Federation has suggested in its report to the review (*Attachment 1a*, Information Annex). [↑](#footnote-ref-19)
19. The output objective 1 has three actions under implementation, five indicators in place, and four risk factors identified. Refer to the report’s *Attachment 2* for more information. [↑](#footnote-ref-20)
20. Comparison of regional PFM priorities identified by the mentioned study and thematic priorities of PEMPAL COPs was presented at PEMPAL Executive meeting held in July 2013. [↑](#footnote-ref-21)
21. Steering Committee minutes and decisions available at *Attachment 7*,Information Annex and at <http://www.pempal.org/event/sc_meetings/> BCOP and TCOP Executive Committee minutes available <http://www.pempal.org/about/governance/ex-com-bcop/> and <http://www.pempal.org/about/governance/ex-com-tcop/> IACOP minutes available on request (stored on private wiki). [↑](#footnote-ref-22)
22. Output Objective 2 has eight actions in place, 13 performance indicators, and 9 external risk factors identified, with one such factor causing some delays and non-attendance from complicated visa proceedings. (Refer to the report’s *Attachment 2* for more information, including how these risks are managed). [↑](#footnote-ref-23)
23. Of which 6 and 8 meetings were held via video-conference in 2013 and 2014 respectively. Total numbers include COP events only, which exclude COP Executive Committee meetings and Steering Committee meetings. No video-conference meetings were recorded for COPs in 2012. Figures available on CY basis only. Source: Secretariat Annual Reports, tables for CY12, 13 and 14 collated in *Table 1, Attachment 1*. [↑](#footnote-ref-24)
24. The way the Secretariat collected the data changed between 2012 and 2013. Previously it was recording sub-events and events as one, according to geographical location. With the increase in such events, it was decided that this underestimated PEMPAL activities, and recording should be done on an agenda basis. Thus, data between 2012 and 2013 is not fully comparable. Six events were held within 3 geographical locations in 2012, thus 2012 adjusted event data would be 16 events in total, still showing significant growth in number of events between CY2012 and CY2014. [↑](#footnote-ref-25)
25. The Secretariat undertakes reporting on a calendar year CY basis. [↑](#footnote-ref-26)
26. Source: MTR COP survey reports, *Attachments 9b, 9c and 9d* of the Information Annex [↑](#footnote-ref-27)
27. Refer to individual COP MTR survey reports at *Attachment 9b, 9c, and 9d*, of the Information Annex. [↑](#footnote-ref-28)
28. Refer to detailed results in *Attachment 3*. [↑](#footnote-ref-29)
29. Although event planning deadlines specify adequate time for submissions of presentations to the Secretariat and resource teams to allow time for review and translation, the Secretariat and resource teams report that there are occasions when presenters submit their presentations late, or at the time of the event only (despite reminders) causing delays in placing materials on the website. Feedback from some post event surveys also indicated that translated materials are sometimes not available to after the event. Given many of these speakers and host countries are providing their expertise in-kind to the network, such delays are beyond the control of PEMPAL. [↑](#footnote-ref-30)
30. Note the Secretariat decided to add a new category of conference related expenses in 2014 to provide more clarity given the significant costs of holding the cross-COP meeting in that year (such meetings are only held every 3-4 years). Source: 2014 PEMPAL Annual Report. [↑](#footnote-ref-31)
31. According to the results framework, monitoring of COP Action Plan budget verses actuals should be reported under Output Objective 1. However, all budget issues have been grouped in the report, to improve the structure and flow. It is reported under the appropriate areas in the attachments. [↑](#footnote-ref-32)
32. Note Secretariat reports are maintained on calendar year (CY) basis for annual reporting purposes, but COP action plans are developed and approved on a financial year (FY) basis, so budget plan amounts may differ somewhat from what were approved by the Steering Committee. The graph was prepared using Secretariat data, and it excludes cross-COP events and study visit type B events given these events are outside the financial management of the COPs. [↑](#footnote-ref-33)
33. BCOP requested a carryover of funds from FY15 to FY16, in response to the delay in establishing some of its new working groups, so its budget for FY16 is 405,000 USD. [↑](#footnote-ref-34)
34. Source: Google Analytics report provided by the Secretariat covering the period July 2012 to December 2014. It was not clear from the report if Bosnian-Croatian-Serbian languages were accessed. There was a code for ‘sr’ used for 285 sessions or 0.95% which could be Serbian languages but when google analytics were searched to determine the definition of country coding, no such codes were defined for any Balkan languages. [↑](#footnote-ref-35)
35. Output Objective 3 has 3 actions in place, 10 performance indicators, and 3 external risk factors identified (Refer to the report’s *Attachment 2* for more information). [↑](#footnote-ref-36)
36. This has occurred for one BCOP event, a study visit to Georgia. Other events usually entail 1-2 presentations from the member country, if significant progress in reforms evident. [↑](#footnote-ref-37)
37. There are currently 13 working groups in operation across the network - 6 in TCOP, 5 in IACOP and 2 in BCOP. [↑](#footnote-ref-38)
38. Taking total participation from Secretariat annual report data of CY2012: 505; CY2013:600; CY2014: 831 ie 1936 total participants. [↑](#footnote-ref-39)
39. The remainder are upper-middle income (12 countries), lower-middle income (7 countries), and one low-income country (Tajikistan). Refer Indicator 8, Output Objective 3, *Attachment 3* for more information. [↑](#footnote-ref-40)
40. TCOP and BCOP request member countries to pay for additional participants over and above the 2 representatives allowed in their membership policies. [↑](#footnote-ref-41)
41. Analyses undertaken for all COPs by PEMPAL Strategic Adviser. Quality of information in Secretariat’s registration database an issue, and IT support was needed to extract data in required formats. COPs and resource teams also had to provide input to lists given some inaccuracies caused from member turnover, and incomplete information given by members during the event registration process. [↑](#footnote-ref-42)
42. Refer Operational Guidelines of the PEMPAL Network, Section 3 <http://www.pempal.org/rules/> [↑](#footnote-ref-43)
43. Funding for Type B study visits are held with the Secretariat and member countries can apply for such funds to undertake a study visit (preparations are usually prepared and led by the member country, with little involvement from the resource teams). [↑](#footnote-ref-44)
44. Two representatives from each country are usually allowed, unless members of the Executive Committee, or if county is active in event agenda implementation. [↑](#footnote-ref-45)
45. Representatives of Romania attended only one TCOP event (May 2014 in Moscow). [↑](#footnote-ref-46)
46. Source: Statistics provided by IT expert at CEF and analyzed jointly with Bank survey expert. Figures are estimates only, given constraints with data ie it is difficult to analyze responses to question on whether event was first time attendance, as averages are misleading if averaging event averages, and there are also data quality issues eg some members do not have personal email addresses, with a shared ministry address only. No survey data was available for this indicator for 2012-13. [↑](#footnote-ref-47)
47. Output Objective 3 requires improved marketing to donors and professional associations including a Marketing and Communication Plan to be developed by the Secretariat by 2012-13 which identifies key target groups and methods of communication. [↑](#footnote-ref-48)
48. Available information was collected by the Secretariat specifically for the review. Refer *Attachment 5*: In Kind Contributions and Self Payers, Information Annex. [↑](#footnote-ref-49)
49. Output Objective 4 has two actions in place, three performance indicators, and three external risk factors identified, with no evident negative impact from these factors (Refer to the report’s *Attachment 2* for more information). [↑](#footnote-ref-50)
50. As reported by CY basis by Secretariat in PEMPAL Annual Reports. The following countries held meetings in CY2012 to CY2014 with some of these countries holding more than one meeting: Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Georgia, Hungary, Kazakhstan, Macedonia, Montenegro, Romania, Russia, Turkey and Ukraine. [↑](#footnote-ref-51)
51. Number of events excludes Video-Conferences. **Source: Secretariat Annual Report 2014, Annual Report 2013** [↑](#footnote-ref-52)
52. Location based counting of participants, i.e. one place – one event, which was applied in previous years, was in 2013 amended by the agenda based counting. Individual participants who took part in several events back-to-back (at one location) were counted based on the number of distinct activities that they participated in. It comprises participants of videoconferences, as well as those who took part in study visits, plenaries and small group meetings. [↑](#footnote-ref-53)
53. Includes host countries from within and outside the PEMPAL region. Refer *Attachment 1* for snapshot of 2014 locations. [↑](#footnote-ref-54)
54. Participation can vary depending on whether the member is new to the network; whether the country is advanced in the reforms under discussion; and the type of meeting it is (a smaller working group meeting as opposed to a plenary meeting). Event participation measure for 2014 - 1 active, 2 average, 3 passive. The way this was measured was changed in 2014. [↑](#footnote-ref-55)
55. Source: Fölsher, Alta, 2012, ‘2nd Evaluation of the PEMPAL network – Final Report, January 2012’ Commissioned by the World Bank on behalf of the PEMPAL Steering Committee [↑](#footnote-ref-56)
56. Source: Fölsher, Alta, 2012, ‘2nd Evaluation of the PEMPAL network – Final Report, January 2012’ Commissioned by the World Bank on behalf of the PEMPAL Steering Committee [↑](#footnote-ref-57)
57. Except in the case of BCOP, who does not have its own strategic plan, although its action plan is linked to the PEMPAL Strategy. [↑](#footnote-ref-58)
58. According to the sub-team managing the contract, these conditions were met so this action is completed. [↑](#footnote-ref-59)
59. BCOP held preliminary discussions with CABRI (*Attachment 10*, Information Annex) who established international agreements to facilitate financial subscriptions based on member GDP levels, and such approaches could be further explored. [↑](#footnote-ref-60)
60. In the BCOP submission, concrete examples of how BCOP activities had contributed to improved PFM practices were provided by Russian Federation, Uzbekistan, Albania, and Serbia, with additional examples provided by Bosnia and Herzegovina and Croatia in responses to the MTR member survey. [↑](#footnote-ref-61)
61. <http://pempaltc.wikispaces.com/> and <http://pempaltc.wikispaces.com/Success+stories> However, not many stories were located here, and they appear to be old (taken from 2011 collection), so the work of the value detectives enabling group could be better distributed, or the way the stories are stored, improved, given difficulties in easily locating them. [↑](#footnote-ref-62)
62. Belarus reported low impact. Also note results are displayed on a member country basis thus BiH Federation and BiH State, are counted as one, which differs slightly to how results are presented by the COP in *Attachment 4* (on survey participant basis). [↑](#footnote-ref-63)
63. **Russian Federation** has several members on the BCOP Executive Committee and has shared its approaches in many BCOP events. It has taken the lead in budget literacy working group and is a leader in OBI in the region. It uses PEMPAL as a valuable tool to discuss reform approaches, common problems and solutions. According to the latest publication of OECD (2014), Budgeting Practices and Procedures in OECD Countries, OECD Publishing (<http://dx.doi.org/10.1787/9789264059696-en>) Russia has very high scores on the medium-term expenditure framework index and performance budgeting index. According to the index, which evaluates the practice of medium-term budget planning, Russia came third after the Netherlands and Denmark and fifth in the performance budgeting index after South Korea, Mexico, Canada and Switzerland. As a whole, ranks of the Russian Federation exceed the average OECD results. **Kyrgyz Republic** has been pursuing an ambitious reform program which includes active participation in BCOP including regularly sending additional participants (at its own cost) to PEMPAL events and having membership on the BCOP Executive Committee. [↑](#footnote-ref-64)
64. PEFA assessments. No further details provided. [↑](#footnote-ref-65)
65. **Azerbaijan**: PEFA – 2013, IMF SGF reports, rating agencies assessments; **Georgia**: EC policy matrix and WB DPO policy matrix reflect IPSAS project progress. **Albania, Russian Federation, Kazakhstan, Kyrgyzstan**: IMF OBI index significantly improved; **Kazakhstan**: Finance management and procurement systems evaluation, IMF GFS report -2013, IMF report on issues related to financial reporting, accrual budgeting and budget risks management and audit. [↑](#footnote-ref-66)
66. Refer page 54-55, Main Report from Fölsher, Alta, 2012, ‘2nd Evaluation of the PEMPAL network – Final Report, January 2012’ Commissioned by the World Bank on behalf of the PEMPAL Steering Committee [↑](#footnote-ref-67)
67. The BCOP survey was distributed to 61 members, with 27 responses (44%); TCOP survey was distributed to 107 members, with 46 responses (43%); and IACOP survey was distributed to 61 members with 35 responses (57%). The overall response rate was 47%. Source: World Bank survey expert, Nina Duduchava. Response rates to the MTR survey showed significant improvement (108 in total, refer above) to response rates to the 2012 external survey (46 in total). Source: Main Report page 5 Fölsher, Alta, 2012, ‘2nd Evaluation of the PEMPAL network – Final Report, January 2012’ Commissioned by the World Bank on behalf of the PEMPAL Steering Committee. [↑](#footnote-ref-68)
68. This approach has been effective in facilitating ownership and involvement of members in IACOP and was also trialed at the 2014 cross-COP meeting and by BCOP with mixed success. IACOP continue to use social learning expert Beverly Wenger-Trayner for major events, to facilitate this technique, although capacity has been built in most IACOP members. [↑](#footnote-ref-69)
69. A cross-COP executive plenary meeting could be held to develop the network wide strategy, and during this meeting existing strategic plans could be examined with a view to strengthen alignment and synergies. Proposed meeting date, June-July 2016. [↑](#footnote-ref-70)
70. Note Secretariat reports are maintained on calendar year basis for annual reporting purposes, but COP action plans are developed on financial year basis, so budget plan amounts may differ from what were approved by the Steering Committee. The graph was prepared using Secretariat data, and it excludes cross-COP events and study visit type b events given these events are outside the financial management of the COPs. [↑](#footnote-ref-71)
71. Presents the two approaches to reporting participants and events, by either location or agenda with change to agenda basis adopted after CY2012. Several back-to-back meetings were held for IACOP in this year. [↑](#footnote-ref-72)
72. Source: page 36, external survey results. Ibid. Note survey report finalized in 2012, although survey conducted in 2011. [↑](#footnote-ref-73)
73. Source: MTR survey results, Q1 (*Attachment 9b, 9c, and 9d*, Information Annex). No comparable COP breakdown could be found in 2012 external survey report. [↑](#footnote-ref-74)
74. Source: MTR survey results, Q2 (*Attachment 9a*, network wide report). [↑](#footnote-ref-75)
75. Executive Committee member survey results were presented in the reports separately given their more active role in the development and implementation of the agendas. [↑](#footnote-ref-76)
76. The Secretariat undertakes reporting on a calendar year basis, so reporting is presented on this basis throughout the report. Change in reporting from CY2012 included participants by agenda, not by location. [↑](#footnote-ref-77)
77. BCOP wiki <http://bcop.wikispaces.com/> is password protected on request of the Executive Committee so they could more freely share draft documents, laws and policies that have yet had formal approval. TCOP wiki <http://tcopempal.wikispaces.com/> was used actively in the past but TCOP has not renewed the subscription as it is currently exploring alternatives (cloud technologies (BOX) will be used within TCOP for storing materials and preparing the events). IACOP wiki can be accessed at <http://pempaltc.wikispaces.com/>. [↑](#footnote-ref-78)
78. Source: Google Analytics report provided by the Secretariat covering the period July 2012 to December 2014. It was not clear from the report if Bosnian-Croatian-Serbian languages were accessed. There was a code for ‘sr’ used for 285 sessions or 0.95% which could be Serbian languages but when google analytics were searched to determine the definition of country coding, no such codes were defined for any Balkan languages. [↑](#footnote-ref-79)
79. Note the Secretariat decided to add a new category of conference related expenses in 2014 to provide more clarity given the significant costs of holding the cross-COP meeting in that year (such meetings are only held every 3-4 years). [↑](#footnote-ref-80)
80. Including travel and accommodation expenses. [↑](#footnote-ref-81)
81. Survey results not directly comparable given 2012 results reported categories of highly and very highly (which included the 70% reported), whereby 2015 survey only included one category of ‘highly satisfied’. Remainder of 2015 survey results for Secretariat indicate Satisfactory or no opinion on support with only 1 unsatisfactory response (from TCOP with no further information provided). [↑](#footnote-ref-82)
82. No comparisons to baseline available at the COP level, except 2012 external survey report (p.27) stated that more highly satisfactory ratings were reported in TCOP than in BCOP, and IACOP reported the only highly unsatisfactory and unsatisfactory ratings at the time. [↑](#footnote-ref-83)
83. Although report qualifies that during some of the period the BCOP Executive Committee were not in place. [↑](#footnote-ref-84)
84. Remaining respondents rated average. No respondents indicated below average. Source: MTR surveys Q12, *Attachment 9a*, Information Annex [↑](#footnote-ref-85)
85. Remaining respondents rated average in all COP groups. No respondents indicated below average. Source: MTR surveys Q12, *Attachment 9b, 9c, 9d*, Information Annex [↑](#footnote-ref-86)
86. In 2012 report (p.27-28), concerns were expressed about perceived weaker service to Russian speaking countries in terms of translation and responsiveness and lack of effective coordination with host countries amongst others. No such concerns were expressed in 2015, and only minor logistical issues were raised which were currently being addressed as reported under indicator 11. [↑](#footnote-ref-87)
87. New member gained approval for TCOP but has not been active in participation. [↑](#footnote-ref-88)
88. Representatives of Romania attended only one TCOP event (May 2014 in Moscow). [↑](#footnote-ref-89)
89. Source: Annex Data 1: Distribution of participation in PEMPAL by COP, taken from graph Annex 7, of external evaluation report. Ibid. [↑](#footnote-ref-90)
90. Source: Statistics provided by survey expert, Nina Duduchava. Figures are estimates only, given constraints with data (eg it is difficult to analyze responses to question on whether event was first time attendance, as averages are misleading except if by per event averages, and there are also data quality issues ie some members do not have personal email addresses, with a shared ministry address only.). There is no available data for 2012-13. [↑](#footnote-ref-91)
91. Participation can vary depending on whether the member is new to the network; whether the country is advanced in the reforms under discussion; and the type of meeting it is (a smaller working group meeting as opposed to a plenary meeting). Event participation measure for 2014 - 1 active, 2 average, 3 passive. The way this was measured was changed in 2014. [↑](#footnote-ref-92)
92. 30 from the Russian Federation, 10 from Tajikistan, 9 from Belarus, 6 from Georgia, and 3 from Kazakhstan [↑](#footnote-ref-93)
93. Source: <http://data.worldbank.org/about/country-and-lending-groups> For the current 2015 fiscal year, low-income economies are defined as those with a GNI per capita, (using the [*World Bank Atlas* method](https://datahelpdesk.worldbank.org/knowledgebase/articles/378832-what-is-the-world-bank-atlas-method)), of $1,045 or less in 2013; middle-income economies, those with a GNI per capita of more than $1,045 but less than $12,746; high-income economies are those with a GNI per capita of $12,746 or more. Lower-middle-income and upper-middle-income economies are separated at a GNI per capita of $4,125. [↑](#footnote-ref-94)
94. Source: member survey report (for three COPs combined) indicated 63.8% were not willing to pay or motivate for payment, which derives the 36% willing to do so. [↑](#footnote-ref-95)
95. The LenCD network is an OECD driven informal and open Learning Network on Capacity Development. It is a network of individuals and organisations sharing a common interest in improving capacity development practice. The network emerged from several streams of research and conferences and was established in June 2004.  LenCD was instrumental in organizing a roundtable on capacity development as part of the Paris High Level Forum on Aid Effectiveness and in helping to develop a widely agreed reference paper “[The Challenge of Capacity Development: Working Towards Good Practice”](http://www.oecd.org/dataoecd/4/36/36326495.pdf) adopted by the DAC in 2006, and has continued to play a critical role in connecting the capacity development community, facilitating learning and dialogue around capacity development, and informing policies and practice on the ground. Source: <http://www.lencd.org/about> [↑](#footnote-ref-96)
96. Source Frank Little, Logical Framework expert engaged by the Steering Committee to assist in operationalizing the strategy, during 2012 cross-COP Executive meeting. [↑](#footnote-ref-97)
97. Russia improved its indicator from 60/100 points in 2010 to 74/100 in 2012 and came 10th among 100 participating countries with an average index of 43/100. As a result, in 2012 Russia qualified among the group of countries with "significant amount of information on the budget process to the public". In May, 2014 the IMF Publishes Fiscal Transparency Evaluation for Russia. This report is one of eight pilots of the Fund’s new IMF instrument for assessing countries’ fiscal transparency practices based on a revised draft of the IMF’s Fiscal Transparency Code. The report recognizes the substantial progress that Russia has made in strengthening fiscal disclosure over the past decade and a half which have brought its fiscal reporting and budgeting practices into line with good or advanced practices in most areas.  [↑](#footnote-ref-98)
98. According to the latest publication of OECD (2014), Budgeting Practices and Procedures in OECD Countries, OECD Publishing (<http://dx.doi.org/10.1787/9789264059696-en>) Russia has very high scores on the medium-term expenditure framework index and performance budgeting index. According to the index, which evaluates the practice of medium-term budget planning, Russia came third after the Netherlands and Denmark and fifth in the performance budgeting index after South Korea, Mexico, Canada and Switzerland. As a whole, ranks of the Russian Federation exceed the average OECD.

    [↑](#footnote-ref-99)
99. This term is used to describe teams established by members who take on roles and responsibilities for specific tasks. It is a technique used to build community, capacity, trust and ownership amongst members. Its implementation has been facilitated in IACOP by social learning expert Beverly Trayner. It has been trialed by BCOP and in the cross-COP events with mixed success. [↑](#footnote-ref-100)
100. BiH Federation and BiH State have been counted as one for purposes of reporting country progress, noting they both assessed impact of IACOP reforms as significant. [↑](#footnote-ref-101)