



MINUTES OF THE STEERING COMMITTEE MEETING, October 22, 2020, Videoconference

Participating SC Members:

1. Thomas Stauffer (SECO – Donor, Chair)
2. Daria Kirillova on behalf of Anna Valkova (Ministry of Finance of the Russian Federation, Donor)
3. Sion Morton (EC Directorate-General for International Cooperation and Development – Donor)
4. Daniel Boyce (WB - Practice Manager, ECA East, Governance Global Practice)
5. Arman Vatyanyan (WB - PEMPAL Team Leader)
6. Marina Tikhonovich (Ministry of Finance of Belarus – BCOP Chair)
7. Ljerka Crnkovic (Ministry of Finance of Croatia– IACOP Chair)
8. Ilyas Tufan (Ministry of Treasury and Finance of Turkey– TCOP Deputy Chair)
9. Armanai Bekturova (Ministry of Finance of Kazakhstan – IACOP Deputy Chair)
10. Petru Babuci (Ministry of Finance of Moldova –IACOP Executive Committee member)

Observers:

11. Elena Nikulina (WB – TCOP Resource Team Coordinator)
12. Iryna Shcherbyna (WB – BCOP Resource Team Coordinator)
13. Naida Carsimamovic Vukotic (WB – BCOP Resource Team Member)
14. Yelena Slizhevskaya (WB – TCOP Resource Team Member)
15. Diana Grosu-Axenti (WB – IACOP Resource Team Member)
16. Lusine Grigoryan (WB – IACOP Resource Team Member)
17. Galina Kuznetsova (WB – PEMPAL Secretariat Team Coordinator)
18. Ksenia Malafeeva (WB – PEMPAL Secretariat)
19. Ekaterina Zaleeva (WB – PEMPAL Secretariat)
20. Kristina Zaituna (WB – PEMPAL Secretariat)
21. Alta Folscher (External Evaluators for PEMPAL Strategy Mid-Term Review)

1. Opening of the meeting

Mr. Thomas Stauffer welcomed participants. The meeting started with the remembrance of Ms. Angela Voronin, former TCOP Chair (from Moldova), who unexpectedly passed away in September 2020.

Mr. Stauffer welcomed Mr. Sion Morton, as a PEMPAL SC new member representing the European Commission. Mr. Morton noted that the EU is a strong advocate for PEMPAL for strengthening PFM reforms, which have even gained higher importance amidst the pandemic - with traditional revenue sources under pressure, it is essential to have adequate PFM to ensure spending effectiveness and transparency.

2. Implementation of the Activity Plan 2017-2022 including management of impacts of COVID-19

Mr. Arman Vatyanyan reported that all three COPs are very active in the virtual mode, holding virtual thematic meetings, webinars, and workshops, as well as advancing knowledge products. PEMPAL Resource Team and COP Executive Committees have been keeping PEMPAL active in the virtual mode of work and in addressing knowledge needs of the member countries. The actions agreed during the previous SC meetings including external evaluation and MTR have been either implemented or are progressing well. The next SC meeting in February 2021 will focus on final external evaluation report and draft MTR report. In terms of the cross-COP leadership meeting in Bern, it is currently postponed until July 2021 with a decision to be made in February 2021. The whole-of-network plenary meeting was originally planned for April 2021 and the decision on the new date has not postponed, noting preparation for this meeting need to take place during the cross-COP leadership meeting. Strategy Activity Plan implementation is progressing well, with the remaining unimplemented measures being in progress, as they are connected to the external evaluation/MTR process.

Ms. Alta Folscher presented preliminary findings of the PEMPAL external evaluation. The final data collection and analysis is still undergoing. The final findings, conclusions, and recommendations will be included in the evaluation report and presented during the next SC meeting. Preliminary findings across all levels of expected results from the PEMPAL Strategy, i.e. results (relevance, quality, and viability), outcome (capacity building), and impact (application) as per the PEMPAL Strategy results framework) are very positive. They also offer a few suggestions proposed by the members to be considered in future thematic work, as well as insights into some specific aspects of COPs work that yield good results, thus should be considered to be applied by other COPs. Preliminary findings also show that the adjustments made in 2020 due to COVID-19 are appreciated by the members, both in terms of including thematic COVID-19 related discussions (on impact and response from PFM systems), as well as in terms of moving to virtual format of work, noting however that beyond short term, face to face engagement is an essential strength of the network, as it allows for more in in-dept work and social capital development. The SC members underlined the



importance of including specific examples of different direct and indirect pathways of PEMPAL's influence on country report, as well as the perspective of PFM stakeholders that are external to PEMPAL on the network's thematic focus.

3. Implementation progress of the FY21 COP action plans

BCOP

Ms. Maryna Tikhonovich gave an update on BCOP activities since the last SC meeting, including:

VC meeting of the BCOP Executive Committee, Jul 20, 2020	VC meeting of the BCOP Executive Committee, Sep 10, 2020	BLTWG's Participation in the IBP Webinar on Sector Budget Transparency in the COVID-19 Response, Sep 29, 2020
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BCOP further postponed its plenary meeting to May 2020, noting that the decision on the format will be made in the first quarter of 2021 depending on the COVID-19 developments. Three virtual events are planned for November and additional two in the first quarter 2021, as well as the participation in the OECD CESEE SBO meeting in May/June (format TBD). After the two large flagship analytical knowledge products covering the broad topics of the BCOP's two working groups that were completed in mid-2020, BCOP is now developing multiple smaller knowledge notes on more narrowly targeted subtopics that can be developed faster. Preparation of the first two is undergoing. BCOP Executive Committee has been extended and now also includes a representative from Uzbekistan.

IACOP

Ms. Ljerka Crnkovic gave an update on IACOP activities since the last SC meeting, including:

VC Meeting of the IACOP Executive Committee, Sep 10, 2020	Smart Interactive Talk of the CHU Challenges WG on Monitoring the Internal Audit Activity: Sharing Experiences Among PEMPAL Countries, October 20, 2020
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IACOP has continued with holding almost bi-weekly informal virtual meetings and all three IACOP working groups have been very active and working on knowledge products. Since the last SC meeting, knowledge product on Key Performance Indicators for Internal Audit Function has been published and work on three new knowledge products in the final stage. IACOP member countries have prepared instructional materials for internal auditors on how to work during the pandemic, based on IACOP smart interactive talks and the recent knowledge products developed on COVID-19. IACOP has also applied for a World Bank GovTech grant for a digital tool to consolidate internal audit reports at a country level. If approved, this will be another major digital tool developed by IACOP for PEMPAL countries.

TCOP

Mr. Ilyas Tufan gave an update on TCOP activities since the last SC meeting, including:

VC meeting of the TCOP Executive Committee, Jul 15, 2020	VC meeting with the Treasury Committee of Kazakhstan, Sep 15, 2020	VC meeting of the TCOP Executive Committee, Oct 7, 2020	VC of the Thematic Group on Use of IT in Treasury Operations, Oct 13, 2020
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TCOP has had a successful transition to virtual mode of work and conducted two VC events, with additional one planned with the Swiss Treasury. Three/four additional VC events are planned for the second half of FY21. TCOP has also completed a work on a comprehensive knowledge product on optimization of charts of accounts. Virtual workshop(s) are planned to be held for joint discussion on this product with the BCOP, PULSAR, and the World Bank's IFMIS community. TCOP is also switching its approach to developing knowledge products to smaller knowledge notes on narrower topics. Such knowledge products are being developed on TSA and cash management and on Treasury response to COVID-19. TCOP elections were conducted and Ms. Lyudmila Gurianova from Belarus has been elected as the Chair.

4. PEMPAL finances and Administration Agreements with the EC

Mr. Vatan reported on COPs' final FY20 savings and actual costs in early FY21, as well as on total PEMPAL resources and estimated spending and savings for FY21, based on the original COP allocations confirmed by the SC in April (US\$250,000 plus FY20 savings). The COPs are expected to submit the revised FY21 action plans (reflecting the further postponement of the face to face meetings) for the next SC meeting, based on which the SC is to decide on the final COP allocations for FY21 and the treatment of savings. The SC discussed different options for treatment of savings and on the format and parameters to be used by the COPs when preparing revised FY21 action plans and budgets. It was decided that the Secretariat, in consultations with COPs' leadership, will prepare guidelines with proposed parameters for two COP budget



scenarios and submit them to the SC for approval. COPs will then be requested to prepare the revised FY21 action plans and budgets using these guidelines for the next SC meeting that will be held in February 2021. Based on these inputs from the COPs, the SC decides on the final COP allocations for FY21 and on the treatment of FY20 and FY21 COP savings. The SC also held a discussion on potential changes in format for PEMPAL budget reporting in terms of showing the costs of Resource Teams, thematic consultants, and the Secretariat within the individual COP budgets. It was decided that the PEMPAL budget reporting tables would remain the same to preserve comparability with the previous reporting periods, but that a note would be added to explain that the costs of Resource Teams, thematic consultants, and the Secretariat are not shown in the individual COP budgets. Furthermore, it was decided that additional one paragraph narrative descriptions of COPs' activities will be provided within the reports on COPs' budget execution.

Following earlier COP saving measures in the first years of current PEMPAL Strategy period (due to uncertainties related to the EU and Russian funding) and now even further savings due to lack of face-to-face events due to pandemic related travelling restrictions, there are significant undisbursed savings. The SC approved to proceed with extension during MTR as long as required to utilize the full funds and achieve the originally established objectives in the PEMPAL Strategy.

5. FY20 Annual Report

Mr. Vatyanyan informed that the Annual Report will be completed by November. Review and approval of the Annual Report by the SC is expected by end November 2020. It was decided that the Annual Report will be distributed electronically by the end of January 2021 with a limited number of printed copies to be sent to member countries and donors when it becomes possible.

6. Next meeting

The next SC VC meeting will take place in February 2021. The Secretariat will explore the availability of SC members and schedule a date accordingly.

SUMMARY OF ACTIONS ARISING FROM THE MEETING

	Action	Due Date	Responsible
1	Prepare guidelines for COPs to revise FY21 action plans with two scenarios and submit the plans	By the next SC meeting	Secretariat Resource Teams, COP leadership, SC
2	Finalize and distribute the FY20 PEMPAL Annual Report virtually with a limited number of printed copies to be posted (5 per each donor, and one per country)	SC approval by the end November 2020; distributed by the end of January 2021	WB, Secretariat, SC
3	Organize the SC meeting in February 2021, devoted to MTR and the cross-COP leadership meeting	February 2021	WB, Secretariat, External evaluator
4	Finalize the external evaluation in line with the approved updated process and timeline	Draft report to be circulated to the SC and COP leadership for comments in November 2020; presented to the SC in February 2021	External evaluator
5	Extend the PEMPAL program during MTR, so that the contributions are utilized for the achievement of the full Strategy objectives	During MTR	WB, Secretariat
6	Conduct the MTR in line with the approved updated process and timeline	SC to meet with focus on MTR in February 2021; Draft MTR report to be circulated in March 2021; MTR donor consultation in April-May 2021; Final MTR report to be circulated to the SC in May 2021; MTR outcomes to be discussed with the COP leadership in July 2021	SC, WB, Secretariat
7	Include a brief paragraph on the summary activity progress under each COP in PEMPAL budget report	By the next full SC meeting	WB, Secretariat



ANNEXES:

1. Minutes of the Previous SC Meeting held in July 2020



2. Status of Activity Plans of the Previous SC meetings



3. Strategy Action Plan Monitoring



4. Presentation on Preliminary Findings of External Evaluation



5. PEMPAL COPs' Budget



6. PEMPAL Program Budget

