

Event Report: PEMPAL BCOP Executive Committee travel to Warsaw, Poland, for the 11th OECD CESEE SBO meeting and Budget Literacy Workshop – May 19-22, 2015

1. On May 19-22, 2015, PEMPAL Budget Community of Practice (BCOP) Executive Committee gathered in



Warsaw, Poland, to attend the 11th OECD CESEE Senior Budget Officers meeting and organize the first meeting of BCOP Budget Literacy Working Group. BCOP representatives came from Ministries of Finance of 10 BCOP member Governments from the ECA region: Armenia, Belarus, Croatia, Kosovo, Moldova, Romania, Russian Federation, Turkey, Ukraine, and Uzbekistan. The BCOP resource team members – Maya Gusarova, World Bank Public Sector Specialist and BCOP Resource Team Coordinator, and Deanna Aubrey, PEMPAL Strategic Adviser, led organization of the Budget Literacy workshop and accompanied the BCOP Executive Committee members.

2. The BCOP Budget Literacy workshop was held on May 20, as the first meeting for this new sub-group, established in FY15. The concept note for this working group, developed in cooperation with the BCOP members from the Russian Federation, can be found at <http://www.pempal.org/event/eventitem/read/140/389>. Emilia Skrok, Senior Economist, participated in the opening of the workshop, with opening remarks from the World Bank Country Office in Poland. At the workshop Ms Aubrey, presented results of a pre-workshop survey, developed specifically for the workshop, which identified status of reforms and initiatives in participating countries. Fourteen of the fifteen PEMPAL member countries that are participating in this new working group completed the survey, with the following key results:

- The majority of countries (11/14) surveyed have reported existence of curriculum or frameworks in budget literacy, however **not many MoFs have involvement with development of formal education curricula in budget literacy.**
- **Many countries (9/14) organize information campaigns and promotion of government budgets in their country** with MoF, and other stakeholders, mostly involved in development of training materials on budget literacy as well as materials for information campaigns.
- **The majority of countries (11/14) rated the budget literacy of their Government and Auditors as high**, with other groups rated mostly medium (except Parliamentarians and their research/support offices who were each rated high in 5 countries).
- **Further targeting of educational and promotional initiatives for media/journalists and NGOs/CSOs is needed for some countries.**
- The majority of countries (10/14) report **citizens are engaged in budget formulation, to a large extent through parliamentary hearings.**

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- The **top challenges in improving budget literacy** come from **misunderstanding of economic and technical concepts** and **confusion from too much information** being presented.
 - Among budget documents available to the public, **Citizens Budget remains the key challenge**: only 5 countries reported its availability and only 4 countries have e-portals on citizens budget at national and sub-national levels.
 - Countries report that **lack of public understanding of budget concepts is the major challenge in preventing accessibility** of budget documentation
3. After presentation of these results, speakers from Canada, Russian Federation and UK presented diverse approaches of making the government's budget more understandable to citizens through citizen budgets and IT portals, student projects, and development of core curriculum for schools. The Canadian initiative involved a program led by an NGO which engaged students in the budget formulation process, including presenting their priorities and views on the Government's budget to the Minister of Finance. The UK initiative was led by Her Majesty's Revenue and Custom (HMRC) within the UK Government, which involved a series of proposed media advertisements using cartoons to illustrate the importance of paying taxes to ensure the government's budget can be used to deliver quality public goods and services to citizens. The Ministry of Finance of the Russian Federation outlined a major project whereby it has developed a citizens budget portal and is currently identifying different stakeholders and consulting with them to determine their needs in relation to budget information. A module for general school students (grades 9 -10) is also being prepared in cooperation with the World Bank.
 4. All PEMPAL materials are available at <http://www.pempal.org/event/read/140> including the Agenda, List of Participants, and survey results presentation. The standardized post-event evaluation survey was issued after the workshop, and feedback from members rated overall satisfaction with the event 4.8 out of a possible 5.0 with most participants indicating they were highly satisfied with the workshop.
 5. After the workshop, on May 21-22, the PEMPAL group attended the 11th meeting of the OECD CESEE Senior Budget Officers, hosted by the Ministry of Finance of Poland. This meeting covered budgeting for fiscal space, inclusive growth and performance budgeting. These annual meetings give the opportunity for PEMPAL BCOP members to share information and benchmark reforms with a wider representation of Ministries of Finance in the Central, Eastern and South-Eastern European (CESEE) who are members of this regional OECD network.
 6. Within the OECD SBO agenda, Ms Maya Gusarova (World Bank, PEMPAL) facilitated a session on *Progressing from Budget Transparency to Accessibility to Participation*, including delivery of summary remarks. The session focused on practical application of budget transparency and participation principles proposed by OECD latest Recommendations on Budgetary Governance. In addition to Latvia Ministry of Finance, BCOP members from the Russian Federation and Croatia presented within this session, given the budget literacy and citizen engagement reforms currently underway in these countries. In the main agenda, presentations were also delivered by the Slovak Republic, Ireland, Hungary, Poland, Germany, Austria, and break out discussion groups held on different aspects of performance budgeting. Ivor Beazley from the World Bank presented the preliminary results of the study of select country cases on performance budgeting. PEMPAL representatives were active in group discussions, and appreciated the opportunity to discuss common problems related to the implementation of reforms.

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7. A BCOP Executive Committee meeting was also held during the time in Warsaw, and BCOP members have accepted invitation from Belarus Ministry of Finance to hold their next annual meeting in Minsk, Belarus, in February 2016. The agenda will be focused on fiscal rules for budget sustainability. A back-to-back workshop on budget literacy will also be held. In addition, the BCOP Executive Committee is planning to conduct a workshop on fiscal risks scheduled back-to-back with the next OECD SBO meeting to be held around mid-2016 in Ljubljana, Slovenia.
 8. Logistical arrangements were organized by PEMPAL and OECD Secretariats. Materials from the OECD SBO meeting are available at the following link: <http://www.pempal.org/event/eventitem/read/140/397>