

PEMOPAL
Annual Report 2012

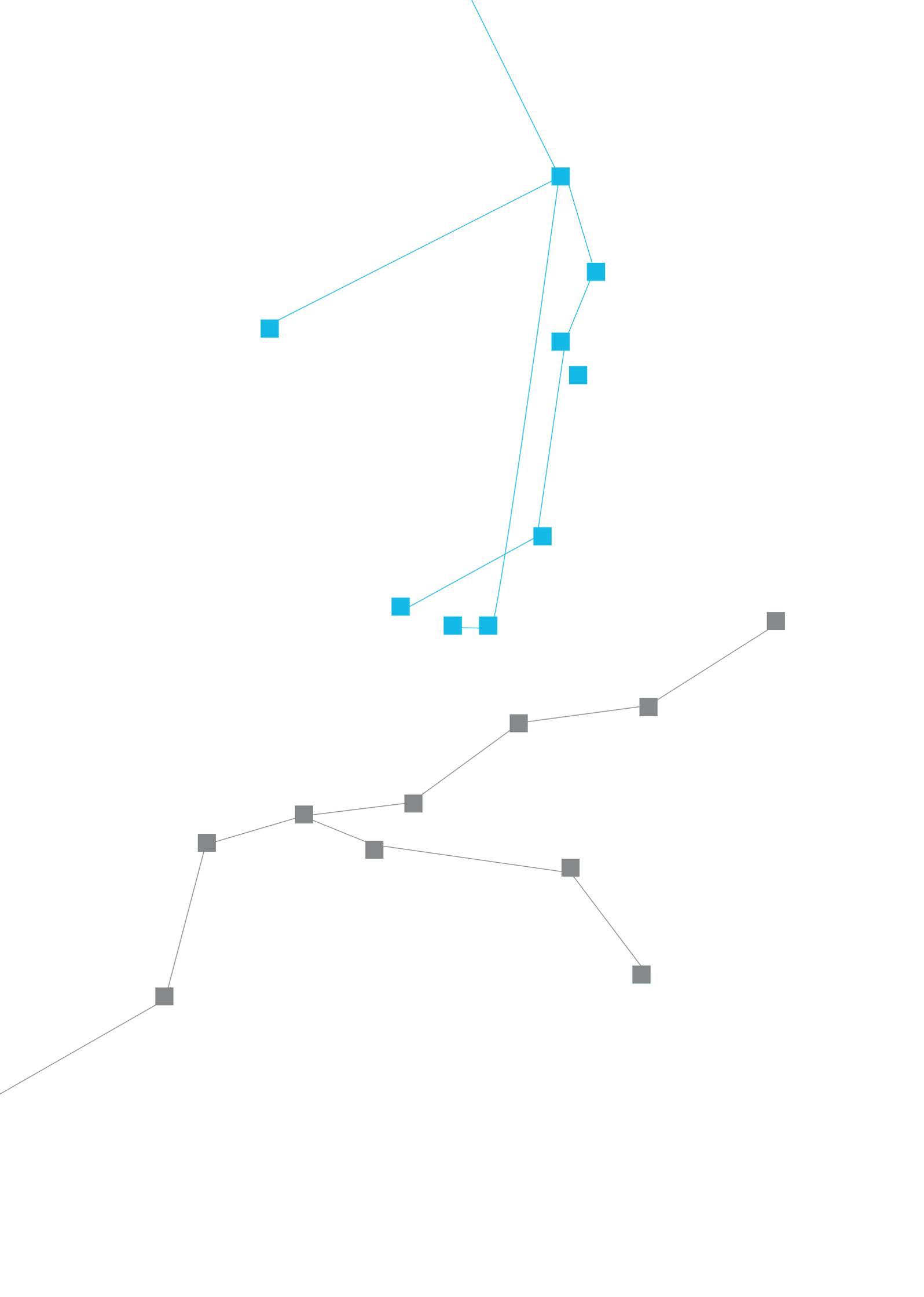
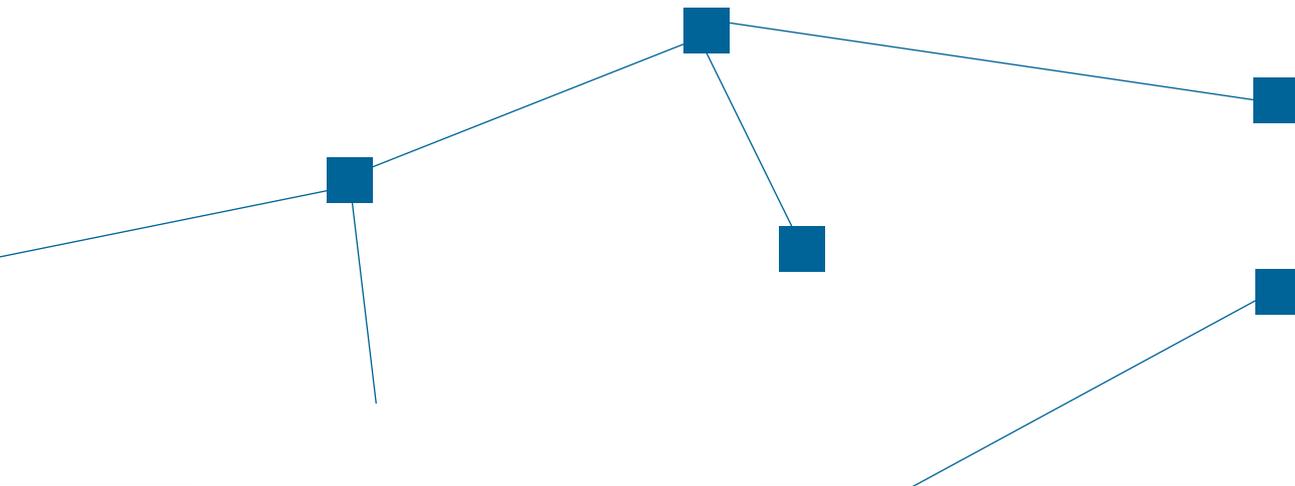
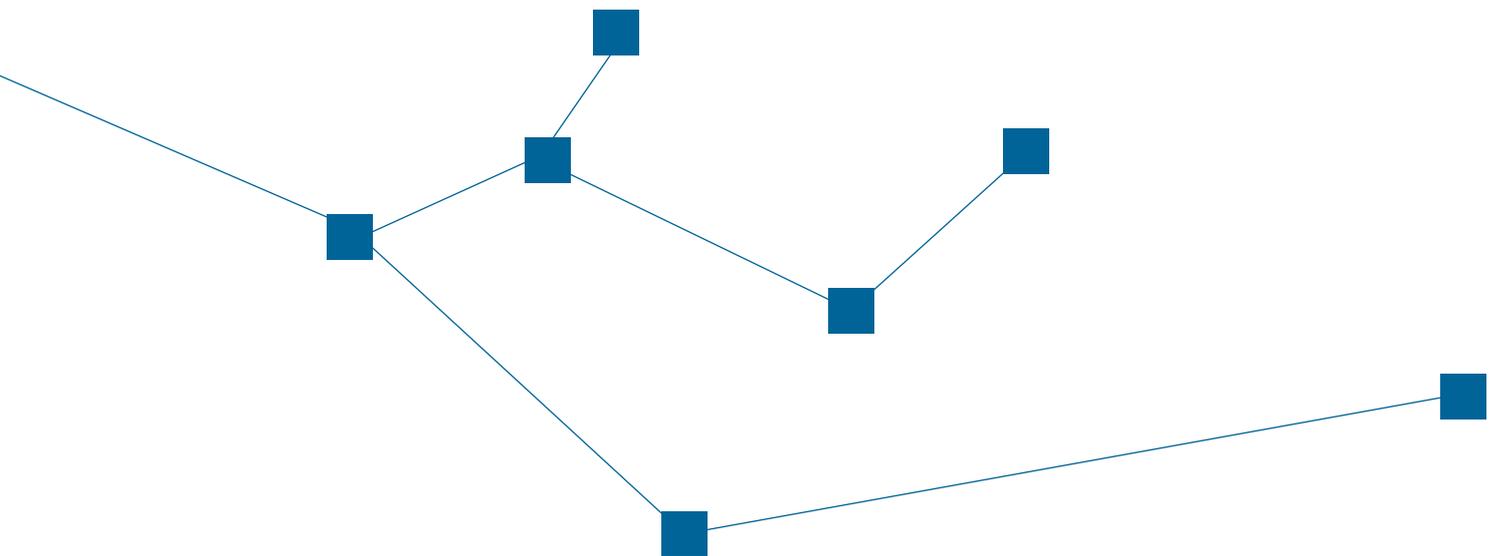


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Foreword



The challenge of managing public finance has been a part of human history for at least 4,000 years. Cities of Babylonia and Assyria during the second millennium BC, Egyptian kings, Chinese dynasties, monarchies of medieval Europe, and modern era nation-states – all have faced the fundamental challenge of raising enough revenues to cover government expenditures. At different places and moments in time, the approaches and instruments have differed, but in all societies the choice of public finance policy has had important implications on the society, economy and culture.

Over the last two decades, and especially after 2008, the public finance reform has earned a central place in societies around the world, especially because past solutions have not met their expectations. Most likely, these solutions focused primarily on technical concepts, and lacked understanding of processes and in particular the importance of an open dialogue among all stakeholders in a society. 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 countries' needs and capacities. Good reform design is critical for economic growth and social welfare, but even more so is its delivery. It is not good enough to have a reform on paper: what matters are the results on the ground.

The World Bank Group President Jim Yong Kim recently said,

... all of our clients are challenged by delivery – the design, execution and demonstration of results ... because most failures happen at delivery ... We know that delivery isn't easy – it's not as simple as just saying "this works, this doesn't". Effective delivery demands context-specific knowledge. It requires constant adjustments, a willingness to take smart risks, and a relentless focus on the details of implementation.

To help build effective public financial management (PFM) systems in countries of Europe and central Asia (ECA), the World Bank and the UK Department for International Development (DFID) launched in 2006 the PEM PAL (Public Financial Management Peer Assisted Learning) initiative. PEM PAL aims to bring together officials in charge of implementing reforms in their countries to share

experiences and learn systematically from each other and from the leading experts in multilateral organizations. Emphasis is on three functional areas: budget, internal audit and treasury, on problem-solving approach and learning by doing.

To date, PEM PAL has developed into a network of some 150 PFM professionals, who share common understanding of and passion for PFM reform in their countries. Peer learning, facilitated through learning events, study visits and resource materials, and in accordance with member-driven action plans, is undertaken within three Communities of Practice (COP), for Budget (B COP), Treasury (T COP) and Internal Audit (IA COP), in three official languages, English, Russian and Bosnian, and presented through the PEM PAL webpage (www.pempal.org). In 2012, 434 PEM PAL participants and 125 external experts met in eight regular and five small group meetings in eleven countries.

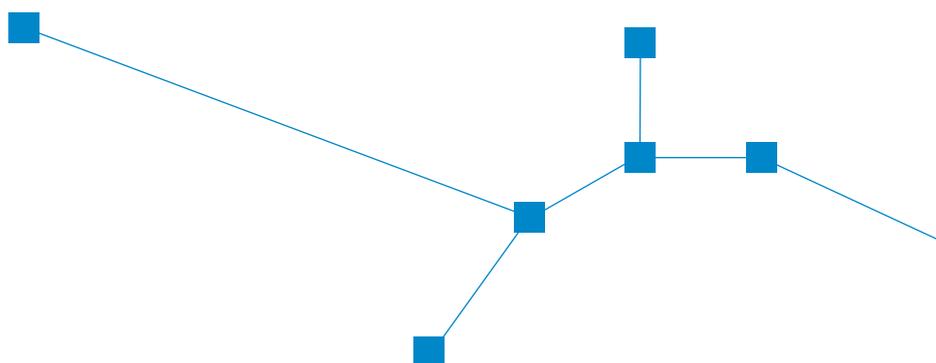
Informal networks, like PEM PAL, are part of the evolving new global governance, where national government officials, by working with their foreign counterparts, share information, design and implement national and international regulation and standards, and address common problems. While the nation-states remain in charge of the primary political authority, such networks have the ability to provide swift and flexible solutions to complicated problems, create convergence and trust, integrate and promote cooperation and accountability.

PEM PAL has evolved over time, and has become a highly recognized informal network for assisting the reform processes in its member countries, and for fostering the sense of ownership and collective thinking. The credit for this goes to PEM PAL's five important interweaving elements: (i) PEM PAL activities; (ii) Knowledge products, online resource materials and communication; (iii) Leadership; (iv) Accountability, by monitoring and evaluating performance as well as strategic planning; and (v) Interaction with the stakeholders. This report informs PEM PAL's wide audience, including the PFM practitioners in ECA and across the globe, multilateral institutions, academia and sponsors, about PEM PAL's experience and performance, by looking at how each of the aforementioned five elements has contributed to PEM PAL in 2012.



PEM PAL activities





In 2012...

... discussions in PEM PAL's three COPs addressed various PFM topics, including reform progress in treasury and external financing; program budgeting practices; risk assessment, quality assurance, and training and certification in public sector internal audit; relations between internal audit, external audit, and financial inspection; strategies for treasury modernization; financial accounting and reporting; fiscal policy and measures to combat the crisis. Participants learned also from the experience of PFM systems in other countries.

The emphasis of these discussions has been on addressing the problems identified in the learning by doing process. "PEM PAL countries are going through a process of establishing an effective internal audit system; they are facing similar challenges, so they can think together of similar measures to deal with these challenges," remarked one participant.

Implementation provides a reality check for a practitioner on how the reform design and legislation perform in practice. Evidence suggests that exchanging experience about what works well in practice is what practitioners consider especially valuable. As a Chinese proverb puts it, "To know the road ahead, ask those coming back."

The COPs work agendas have been driven by the countries' needs and have been devised by the Executive Committees of each of the three COPs in consultations

with their constituencies. All three COPs individually agree on key topics and discuss main challenges to address emerging needs and opportunities. The COPs work agendas for FY13 and FY14 are available here:

www.pempal.org/about/action-plans

In 2012, PEM PAL brought together 434 PEM PAL participants in eight regular and five small group events held in eleven countries. In addition, around 125 external experts attended these events. This compares to 418 PEM PAL participants plus 108 external experts attending one plenary meeting of all three COPs, six regular, and three small group events in six countries in 2011.

Considering its active and valuable contribution to the IA COP, Hungary was confirmed as new member of the IA COP at the IA COP plenary meeting in Hungary in June 2012.

	CY 2012	CY 2011
Events	8 regular 5 small	6 regular 3 small 1 big plenary
PEM PAL participants	434	418
Resource teams	125	108
Hosting countries	11	6

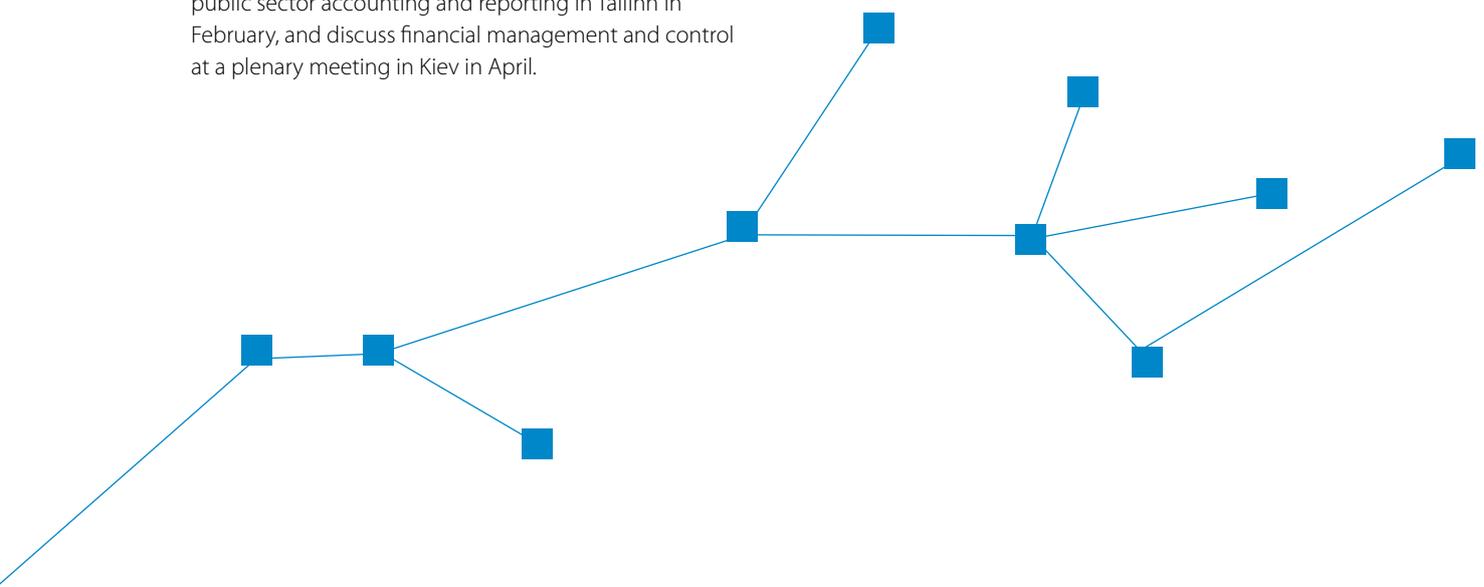
In 2012, PEM PAL events took place in eleven countries.

	Feb	Mar	Apr	May	Jun	Sep	Oct	Nov	Dec
B COP		Slovenia E			Estonia E				
IA COP			Bulgaria E		Hungary E	Bulgaria SV	Ukraine E	Poland SV	
T COP	Georgia E				Russia E			Azerbaijan E	
Cross-COP						France E			
SC	Slovenia F-t-F			VC		France F-t-F			VC
Type B SV							Uzbekistan/ Croatia SV		

- Notes: E – event; SV – study visit; SC – Steering Committee meeting; VC – video conference; F-t-F – face-to-face meeting.

In 2013...

... the agenda remains busy, and preparations for the spring events started already in late 2012. The first event on the 2013 agenda was the IA COP working group meeting on risk assessment at end-January in Tirana, followed by a B COP plenary meeting in February on selected aspects of program budgeting, also in Tirana. The B COP is planning two study visits in April, one to Tbilisi and one to London, to discuss IT systems for budget planning and per capita budgeting in education, respectively. The IA COP will meet again in Tbilisi in April to discuss risk assessment, financial inspection, and quality assurance in internal audit. The T COP plans to learn from Estonia's experience with public sector accounting and reporting in Tallinn in February, and discuss financial management and control at a plenary meeting in Kiev in April.



Budget Community of Practice (B COP)¹

B COP priorities in 2012–2014

- Program budgeting
- Per unit health and education financing
- Medium-term planning
- Knowledge resource initiatives: collation of ECA country budget related laws, policies and procedures; participation in OECD Budget Practices and Procedures Survey
- Network improvement initiative: encouraging cross-COP interchanges on themes related to IT reforms, budget classification and others, where appropriate
- Facilitation of increased member contact through further development of wiki as the main technology platform

The B COP met twice in 2012, at one plenary meeting and one small group meeting.

Plenary meeting:

March 27–29, 2012; Bohinj, Slovenia

Participants examined performance budgeting practices in a number of countries at different stage of reform implementation (such as Australia, France, Poland and Slovenia), key concepts and terminology. The following questions were discussed: (i) how to link budget decisions to performance information; (ii) how to train and assist the finance and line ministries to develop budget submissions in a program format; and (iii) what is the recommended sequence of reforms based on the experience of other countries. See more:

www.pempal.org/event/read/58



¹ The B COP met in February 2013 to define the priorities for the coming years.

B COP Executive Committee:

June 28–30, 2012; Tallinn, Estonia

The B COP Executive Committee members and their deputies attended the 8th OECD Annual Meeting of Senior Budget Officials (OECD/SBO) from Central, Eastern and South-Eastern Europe (CESEE) on June 28–29 2012, and held their meeting on June 30, 2012. Key recommendations for B COP in PEM PAL Evaluation; roles and responsibilities of COP leadership groups; the B COP Action Plan for 2012–2014; and initiatives like the virtual library, budget management guidelines, and performance indicators were the main topics discussed. See more:

www.pempal.org/event/read/66



Internal Audit Community of Practice (IA COP)

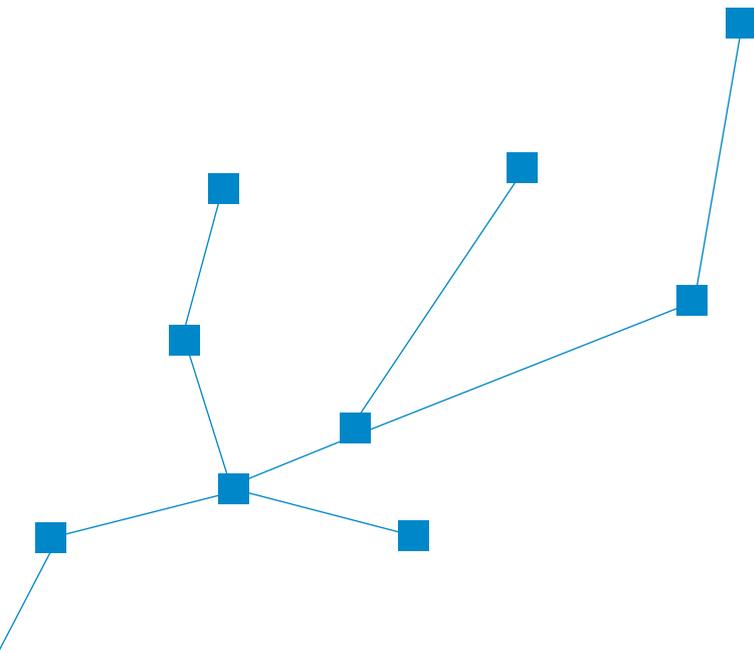
IA COP priorities in 2012–2014

- Risk assessment
- Quality assurance
- Knowledge resource initiatives: finalization of internal audit manual template and internal audit training and certification modules for use by member countries and further collation of relevant internal audit related laws
- Network improvement initiatives: active participation of IA COP representatives at B COP meetings to identify synergies. Attendance at T COP meetings, where relevant

The IA COP met at six workshops, one plenary meeting and two study visits in 2012.

Two back-to-back workshops: April 17–20, 2012; Sofia, Bulgaria

On April 17–18, the IA Manual workshop focused on risk assessment for strategic planning of internal auditing in the public sector, in particular on how to use it to build an IA strategic plan to boost auditor productivity and provide control assurance. On April 19–20, the IA Training and Certification workshop addressed monitoring in the certification process. Experiences of Armenia, Bulgaria, Estonia, Georgia and Moldova were shared. See more: www.pempal.org/event/read/60



Workshop and plenary meeting:

June 15–20, 2012; Budapest, Hungary

The aim of the two-day Quality Assurance workshop (June 15–16) was to share experience and knowledge in quality assurance reviews. Experiences of Albania, Croatia, Hungary, Macedonia and Poland were shared. The focus was on the assessment process that is used in periodic internal assessment and external quality assessment. Principles of and differences between the functions of supreme audit institutions, financial inspectorates and internal audit departments were the main topic of the IA COP plenary meeting (June 18–20). The participants discussed the country cases of Albania, Armenia, Hungary, Moldova and Ukraine; international standards; and the IA COP working groups agendas and achievements. See more:

www.pempal.org/event/read/64

Study visit:

September 24–29, 2012; Sofia, Bulgaria

The objective of the study visit arranged for experts from Armenia, Georgia, Kyrgyzstan and Tajikistan was to exchange experience of internal audit units in these countries with those in Bulgaria, and the methodologies and legislation that internal auditors and inspectors use in their work. See more:

www.pempal.org/event/read/71

Three back-to-back workshops:

October 8–12, 2012; Lviv, Ukraine

The participants met at three back-to-back workshops to discuss risk assessment, training and certification, and quality assurance. They examined good practices in Armenia, Bulgaria, Croatia, Hungary, Portugal and Ukraine, and worked on preparation of the IA COP's own knowledge resources. See more:

www.pempal.org/event/read/72

Study visit:

November 15–16, 2012; Warsaw, Poland

Ten officials from Albania, Croatia and Moldova visited the Central Harmonization Unit at the Ministry of Finance of Poland to discuss Poland's external assessment experience and methodologies in internal auditing. See more:

www.pempal.org/event/read/75



Treasury Community of Practice (T COP)

T COP priorities in 2012–2014

- Use of information technologies in treasury operations
- Accounting and financial reporting for the public sector
- Financial management and control issues
- Knowledge resource initiatives: contribution of treasury related country documents to PEM PAL virtual library
- Network improvement initiatives: encouraging cross-COP interchanges through active involvement of B COP and IA COP members at T COP meetings, where appropriate

The T COP organized three plenary meetings in 2012.

February 27–29, 2012; Tbilisi, Georgia

The participants discussed PFM reform progress in treasury and experience with the integration of external financing into the national treasury operations. They identified successful aspects of treasury reforms in Georgia that could be applied in their countries, such as the use of multi-currency account, paperless documentation management, elimination of cash transactions, integration of treasury information systems with other modules (e.g., procurement), accounting of arrears, etc. They discussed also the advantages and challenges of channeling donor funding through national systems, and difficulties in meeting donor financing requirements. Experiences of Georgia, Kazakhstan, Moldova and Ukraine were presented. See more: www.pempal.org/event/read/55



June 25–27, 2012; Moscow/Vladimir, Russia

The main objective of the meeting was to offer an opportunity to the T COP members to exchange experiences in designing and implementing treasury reforms, and to provide an impulse for more strategic approach to the next phase of these reforms. The participants discussed the country cases of Croatia, France, Macedonia, Russia and Tajikistan, and insights from the World Bank's global knowledge. A visit to the Vladimir regional treasury allowed sharing first-hand practical experience with Russia's treasury modernization project. See more:

www.pempal.org/event/read/65



November 6–8, 2012; Baku, Azerbaijan

Within the broad topic of public sector accounting and reporting reform, the T COP members had identified a few issues of particular interest that they wanted to address in more detail. These included (i) sequencing of and institutional arrangements for development of public sector accounting policies and standards aligned with the International Public Accounting Standards (IPSAS); (ii) linking accrual-based accounting at the spending unit level with cash-based accounting and reporting performed by the treasury at the national level; (iii) automation of public sector accounting and methods for consolidation at the national level; and (iv) professional training and certification of public sector accountants. The participants discussed the experiences of Azerbaijan, Kazakhstan and Russia. See more:

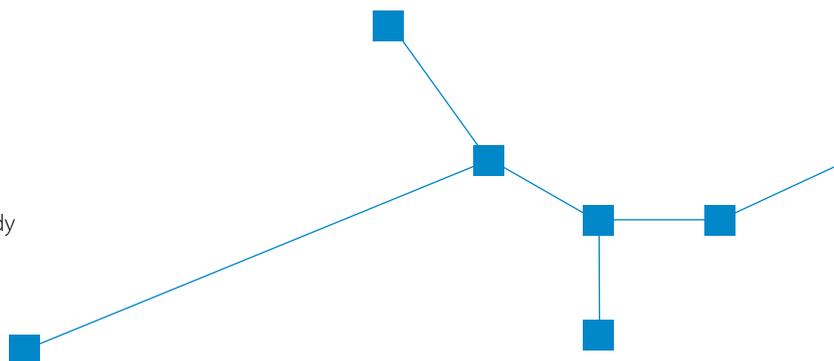
www.pempal.org/event/read/73

Type B study visit

October 22–25, 2012; Zagreb, Croatia

Ten officials from the Ministry of Finance of Uzbekistan visited their peers to discuss practical experience in establishing an effective PFM system, comprehensive coverage of treasury execution of the budget, budget accounting and reporting; harmonization of treasury execution of budget and budget control in light of medium-term budgeting; and lessons learned in the global crisis and on the eve of EU membership. The study visit was co-financed by UNDP Uzbekistan. See more:

www.pempal.org/event/read/69



Cross-COP and Steering Committee meetings

February 16–17, 2012; Ljubljana, Slovenia

The meeting brought together representatives of all three COPs and five donor institutions, and the PEM PAL resource team to discuss four main topics: (i) findings of the recently concluded external evaluation of the PEM PAL network; (ii) PEM PAL Strategy for 2012–2017, to examine the network's relevance and sustainability and options for the next five years; (iii) PEM PAL financial situation and budgets of COPs; and (iv) marketing initiatives and new tools. A Steering Committee Chair, representative of SECO, was re-elected for another year. See more:

www.pempal.org/event/read/59

September 3–6, 2012; Paris, France

The main objectives of the meetings were to (i) review the PEM PAL results framework and come to an agreed understanding of the goal, outcome and output objectives and how these will be achieved and measured; (ii) conduct face-to-face Steering Committee meeting to consider PEM PAL's financial situation as well as amended regulations on certain policy issues; and (iii) examine the French PFM system with a view to identify solutions that the PEM PAL countries could consider in their reform implementation process. The meeting was co-hosted by the OECD/SIGMA² See more:

www.pempal.org/event/read/68

² SIGMA (Support for Improvement in Governance and Management) is a joint initiative of the OECD and the EU.





Knowledge products, online resource materials and communication

PEM PAL encourages creation of knowledge products; online storing, capturing and distribution of resource materials; and exchanges through its Virtual Library, wiki, website, video conferencing and online chat rooms.

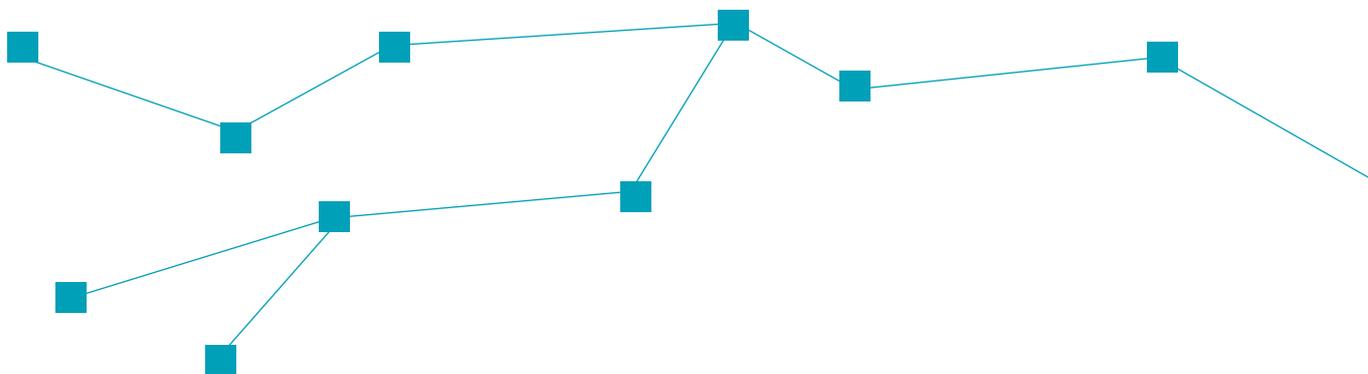
Knowledge product: Good Practice Internal Audit Manual Template

In the spring of 2012, the IA COP's Internal Audit Manual Development Working Group finalized a template, which was designed to serve as a reference guide to assist internal audit professionals in the public sector.

The template is aimed at providing good practice recommendations on how to approach the important task of producing an internal accounting manual, helping advance the reforms in public sector internal auditing, and promoting good governance and accountability. The template is not meant to be prescriptive, meaning that the structure and content of the final manual will depend on the size and complexity of the organization. Most importantly, it is based on internationally recognized and relevant local standards, as well as current best practices. The template is the end result of an extensive collaborative process, which included experts from PEM PAL member countries, partners and donors.

The template's electronic and paper versions are available in three languages: English, Russian and Bosnian. The electronic version is available here: www.pempal.org/data/upload/files/2012/08/finalinternal-audit-manual.pdf. For the paper version, please contact the PEM PAL Secretariat.

Good Practice Internal Audit Manual Template



Online resources and communication

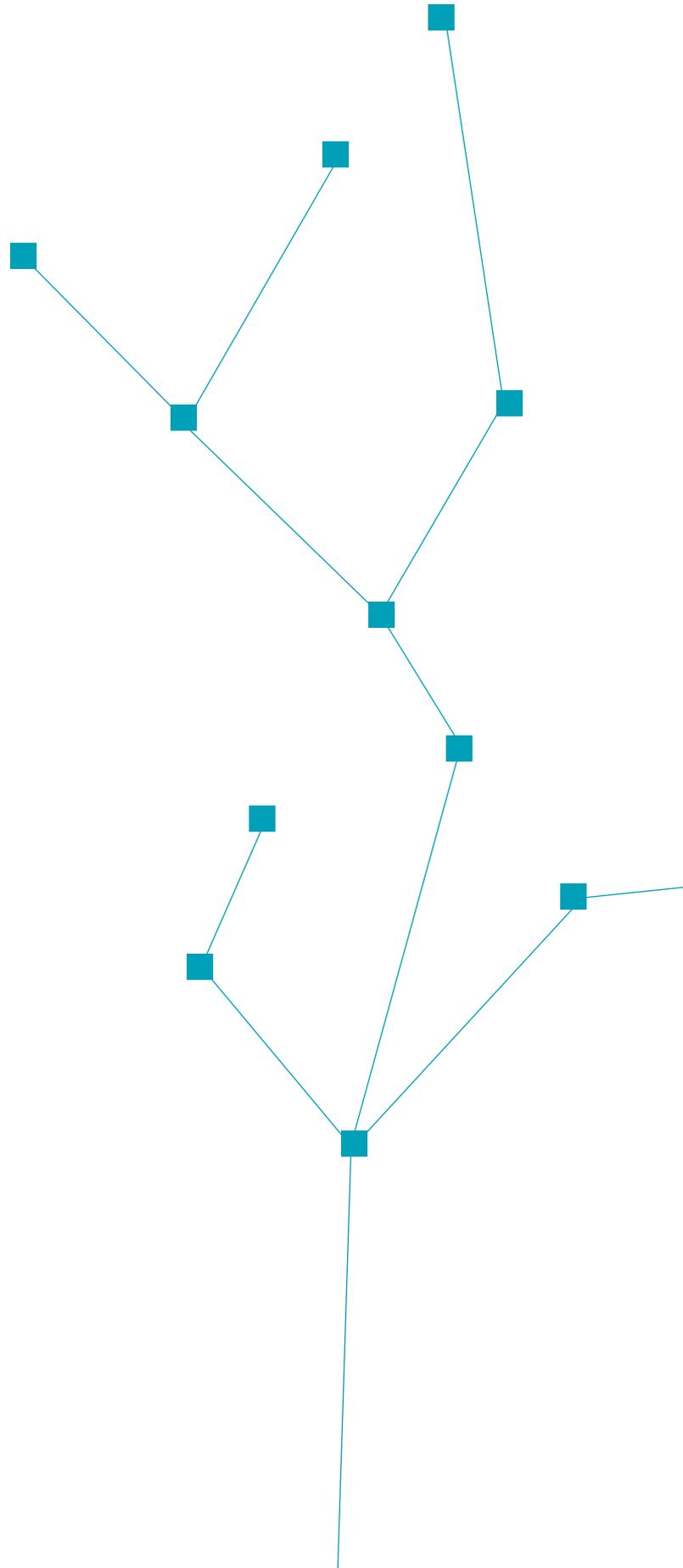
Virtual Library and Glossary of Terms

The PEM PAL Virtual Library (www.pempal.org/library/) and Glossary of Terms (www.pempal.org/glossary/) were published on the PEM PAL website in early January 2012. Both have been designed to help the PFM practitioners in their daily work: to find laws and regulations of other countries, share best practices, check the meaning of a specific term, etc. The Virtual Library included over 600 sources at end-2012. It allows for an efficient and cost-effective storage and direct upload of the documents.



Frequently Asked Questions (FAQ) section on the PEM PAL website

PEM PAL is about learning from peers, sharing information and asking questions. A new FAQ section was added to the PEM PAL website (<http://www.pempal.org/faq/>) in August 2012 to promote exchange of information among the COP members. PEM PAL members have been asked to address their questions to the Secretariat that will collect and post answers from other experts.



Wiki

The three COPs use a wiki, a rather informal tool, to discuss action plans, store event agendas and resource materials, and to form a shared understanding of their activities. Each COP operates one wiki, with an administrator for each COP in charge for updating and keeping track. Access to the wikis is restricted.



PEM PAL in news

In 2012, two reports on PEM PAL events (B COP March meeting and T COP February meeting) were posted on the IMF PFM blog, and three issues of PEM PAL Newsletters (January, April and August) were distributed to members.

PEM PAL NEWSLETTER, May - August 2012

Main highlights

In the period from May to August 2012, three individual COP meetings were held, all in June, in three countries (Hungary, Russia and Estonia), in addition to one Steering Committee meeting held through video conferencing in May. The COPs discussed the following topics: quality assurance, as well as relations between the internal audit, external audit and financial inspection; strategies for treasury modernization; and, fiscal policy and measures to combat the crisis. See PEM PAL January – August 2012 Progress Report for more information (in English only, Russian and Bosnian versions will be available shortly) [Read More](#)

PEM PAL Steering Committee meeting; May 15, 2012; video conferencing

The PEM PAL Steering Committee focused on the following topics during its May 15 video conference meeting: COPs action plans and budgets for the period from July 2012 until June 2014 and related funding, PEM PAL Strategy 2012-2017 and its results framework, as well as next Cross-COP meeting in Paris, France on September 3-6, 2012. [Read More](#)

IA COP workshop and plenary: June 15 – 20, 2012; Budapest, Hungary

The aim of the two-day workshop (June 15-16) on quality assurance was to share experience and knowledge on the quality assurance reviews. Focus was on the assessment process that is used in the periodic internal assessment and the external quality assessment. Principles of and differences between the functions of supreme audit institutions, financial inspection and internal audit departments were the main topic of the IA COP plenary June (18-29). Country cases, international standards and IA COP working group agendas and achievements were discussed. [Read More](#)

T COP: June 25-27, 2012; Moscow/Vladimir, Russia

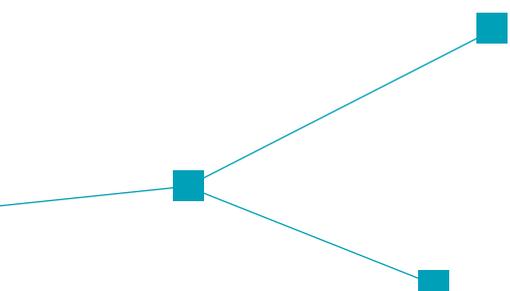
The main objective of the meeting was to offer an opportunity to T COP members to exchange experiences in designing and implementing treasury reforms, and to provide an impulse for more strategic approach to the next phase of these reforms. Country cases of Russia, France, Tajikistan, Macedonia and Croatia were discussed, as were the insights from the World Bank's global knowledge. A visit of the Vladimir regional treasury was organized to allow sharing first-hand practical experience with the Russia's treasury modernization project. [Read More](#)

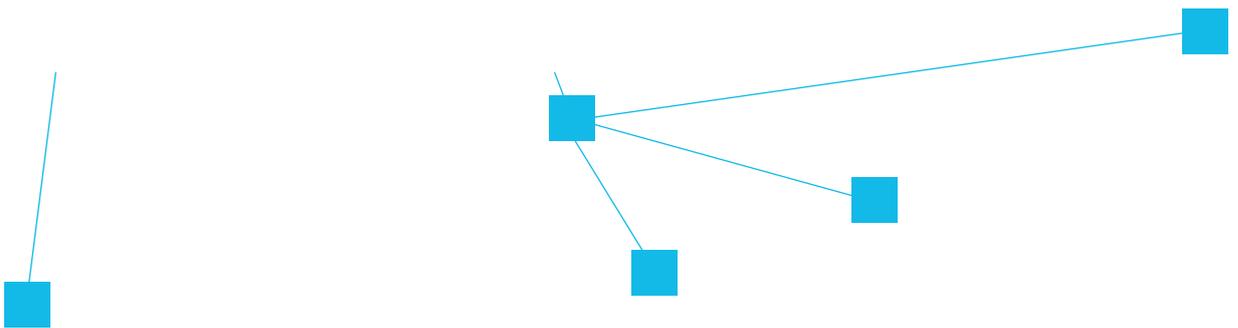
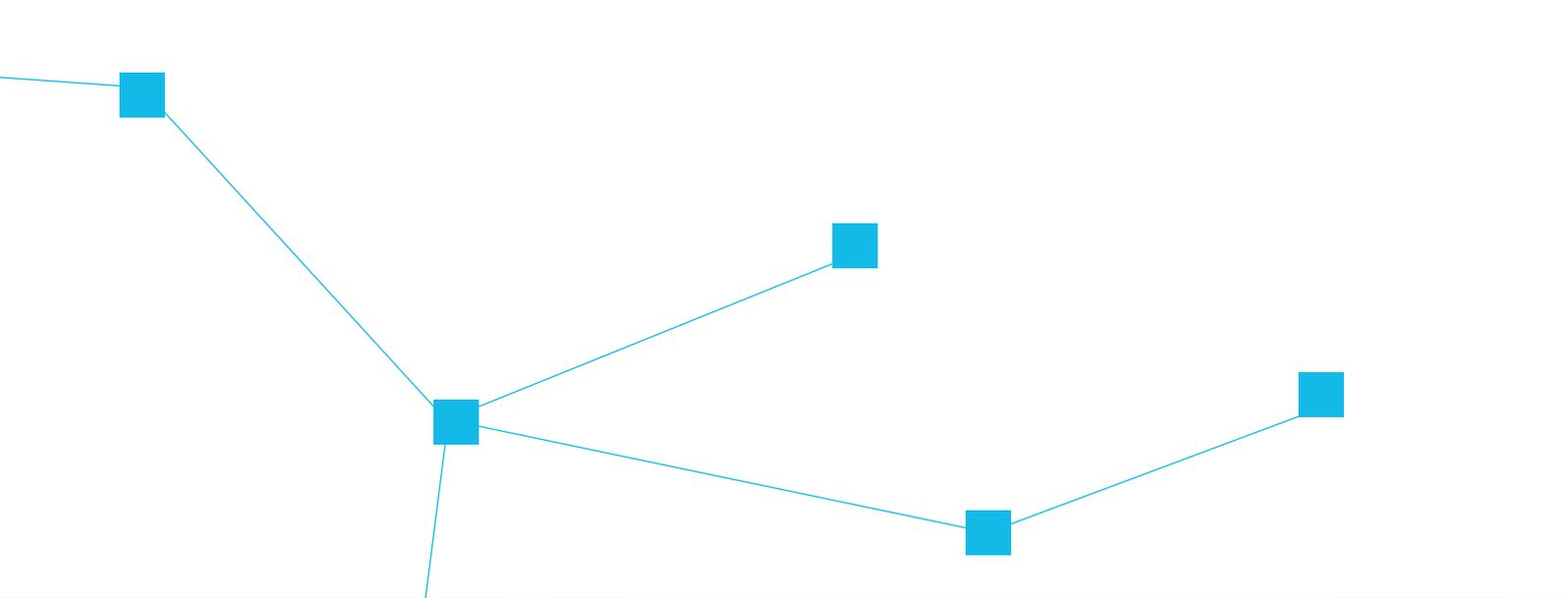
B COP Executive Committee: June 28-30, 2012; Tallinn, Estonia

The B COP Executive Committee members and their deputies attended the 8th OECD Annual Meeting of Senior Budget Officials (OECD/SBO) from Central, Eastern and South-Eastern Europe (CESEE) on June 28-29 2012, and held their meeting on June 30, 2012. [Read More](#)

Video conferencing and online chat rooms

Real-time conferencing through the World Bank supported video conference facilities and online chat rooms (e.g., Adobe, Skype) are used for Executive and Steering Committee meetings.





To be successful in promoting dialogue and change, the COPs need to develop committed leaderships, with personal rather than positional power, which are able to understand the needs of the members of the COPs. As the COPs are driven by its members, responsibility for setting up the action plans and budgets, devising the event agendas, and providing insights rests with the COP leaderships, who act on behalf of the members, rather than outside experts or resource teams. The three PEM PAL COPs use two interchangeable terms for the COP leadership: *Executive Committee* and *leadership group*. Each COP Executive Committee / leadership group consists of seven up to nine members.

All three COPs leaderships saw changes in their composition in 2012.

The **B COP** leadership group was changed in March to include representatives of seven countries. Furthermore, elections for a new chair and deputy were held at the cross-COP meeting in September to replace the chair, who left in June.³

In April, the **IA COP** elected a temporary chair and two acting vice chairs (one for content and one for operations) to represent them until the Budapest plenary meeting in June. At the Budapest plenary meeting a new chair was elected, the two acting vice chairs were reconfirmed, and the leadership group was extended with an extra co-leader to enhance learning and leadership.

The **T COP** also held elections at the Moscow event in June, and got a new chair in July 2012.

At end-2012, the COPs leadership groups included the following members:

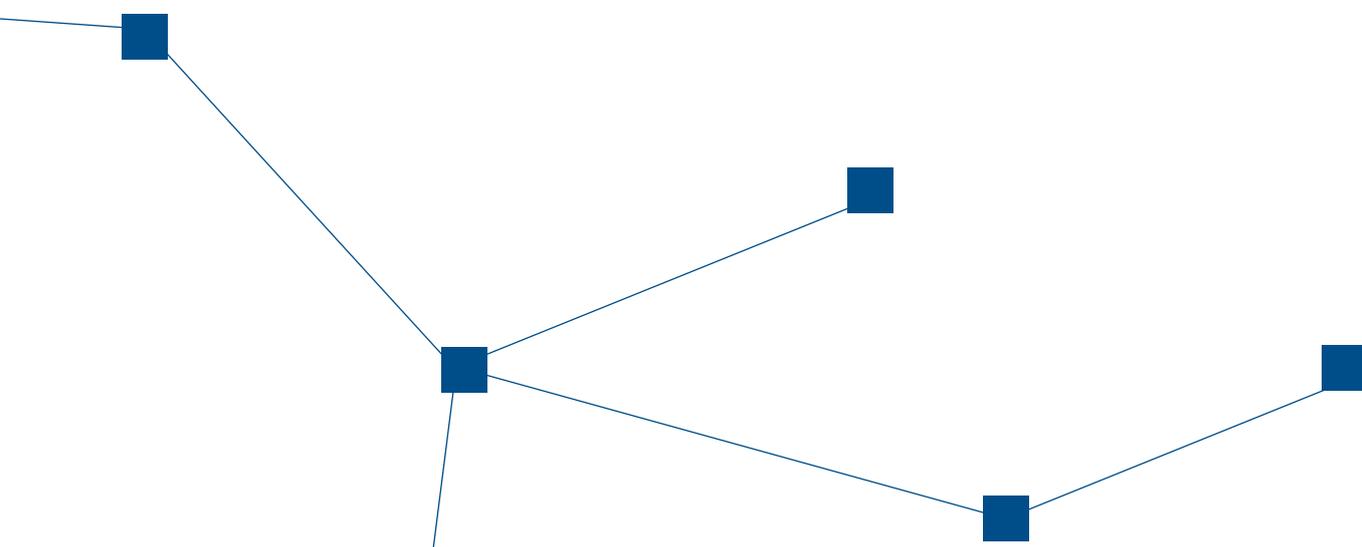
B COP: Gelardina Prodani (Albania, Chair), Konstantin Krityan (Armenia, Deputy Chair), Stevan Brkić (Bosnia), Mladenka Karačić (Croatia), Hakan Ay (Turkey), Anna Belenchuk and Anna Busarova (both from Russia).

IA COP: Diana Grosu-Axenti (Moldova, Chair), Albana Gjinopulli (Albania, Vice Chair for Content), Cristina Scutelnic (Moldova, Vice Chair for Operations), Ljerka Crnković (Croatia), Zamira Omorova (Kyrgyzstan), Nino Eliashvili (Georgia), Stanislav Bychkov (Russia), Maksim Timokhin (Ukraine).

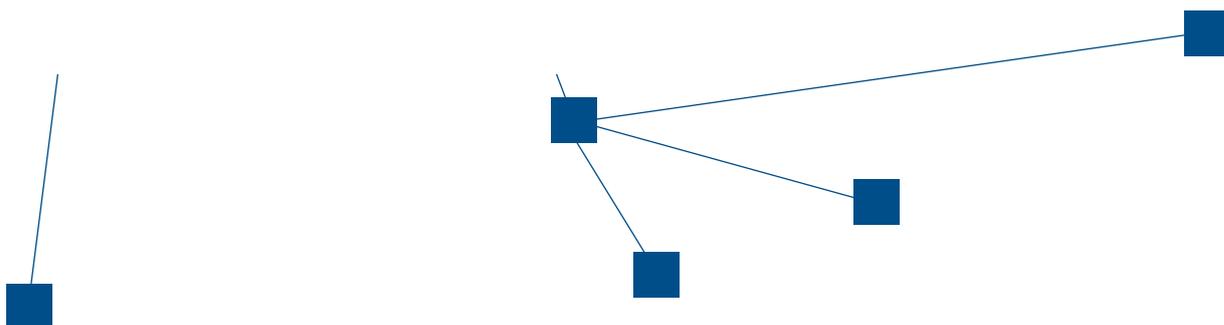
The IA COP has formed working groups for topic-specific discussions: Risk Assessment WG, led by Albana Gjinopulli; Quality Assurance WG, led by Ljerka Crnković; Training and Certification (T&C) WG, led by Cristina Scutelnic; in October, the T&C WG was transformed to the Relationship of Internal Audit and Financial Inspection/External Audit WG, led by Sergii Chornutskyi (Ukraine).

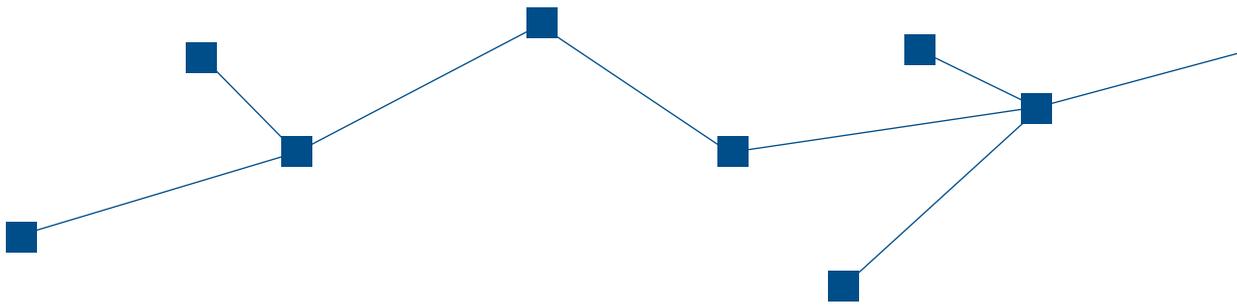
T COP: Angela Voronin (Moldova, Chair), Vulgar Abdullayev (Azerbaijan, Deputy Chair), Alexander Demidov (Russia), Mimoza Pilhati (Albania), David Tsekvava (Georgia), Nazgul Duishembieva (Kyrgyzstan), Rustam Boboev (Tajikistan), Natalia Sushko (Ukraine), Zaifun Ernazarova (Kazakhstan).

³ In February 2013, the B COP approved two new members of the B COP Executive Committee: Olga Tarasevich (Belarus) and Elena Zyunina (Russia).



Accountability





PEM PAL is about working with a broad audience: practitioners and their institutions in PEM PAL countries, sponsors, resource teams and other external experts and stakeholders. PEM PAL's accountability, aimed to enhance its reputation and earn confidence, extends over multiple dimensions, involving internal and external audiences, various tools and processes.

In strengthening accountability, a focus on both short-term and long-term assessments is important for measuring PEM PAL's relevance. Short-term assessments concentrate on direct outputs of PEM PAL activities (e.g., through reporting), while the emphasis of long-term assessments is on PEM PAL's impact on the reform processes in its member countries (where both quantitative and qualitative assessments are essential), and on its sustainability.

PEM PAL uses a plethora of tools and processes for measuring and evaluating its performance and relevance:

- Internal guidelines: Operational Guidelines, Guidelines for Events, Guidelines for Study Visits, Budget Management Guidelines
- Managing event budgets
- Qualitative and quantitative performance indicators
- External evaluation
- Results framework as part of the PEM PAL Strategy for 2012–2017
- Progress and annual reports



Internal guidelines

The **PEM PAL Operational Guidelines** define the nature of the PEM PAL program, and the roles and relationships among different stakeholders. These guidelines pay particular attention to participation, governance and decision-making. The Operational Guidelines integrate various functions, including that of the Steering Committee and the COPs Executive Committees. See more: www.pempal.org/rules

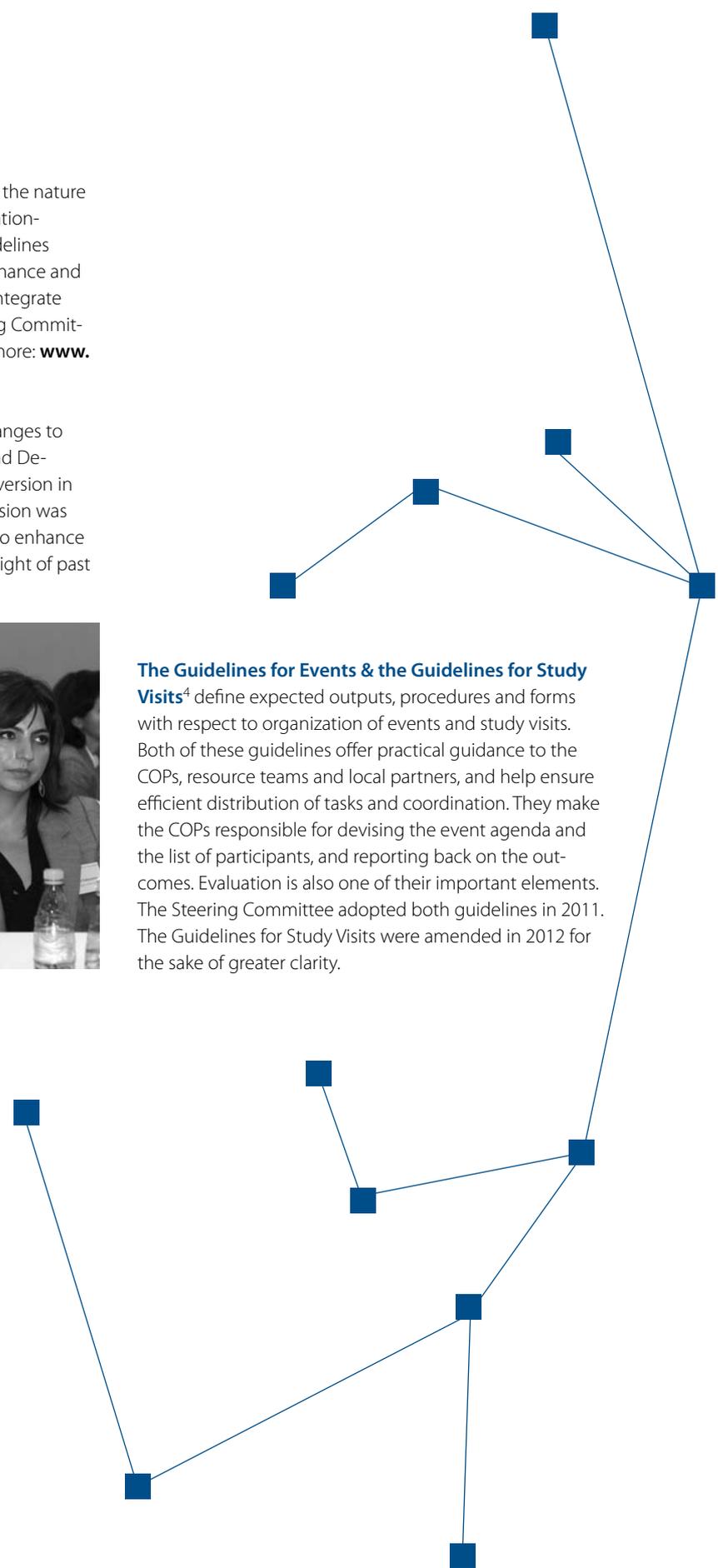
In 2012, the Steering Committee discussed changes to the Operational Guidelines at its September and December meetings with a view to adopt a new version in March 2013. The objective of the intended revision was to modernize the Operational Guidelines and to enhance and clarify their application in practice, also in light of past experience and intensified activity.



The **Guidelines for Events & the Guidelines for Study Visits**⁴ define expected outputs, procedures and forms with respect to organization of events and study visits. Both of these guidelines offer practical guidance to the COPs, resource teams and local partners, and help ensure efficient distribution of tasks and coordination. They make the COPs responsible for devising the event agenda and the list of participants, and reporting back on the outcomes. Evaluation is also one of their important elements. The Steering Committee adopted both guidelines in 2011. The Guidelines for Study Visits were amended in 2012 for the sake of greater clarity.

⁴ **The objectives of a study visit** are to (i) examine how a specific aspect of the public financial management system has been dealt with successfully in another country; (ii) exchange ideas and lessons learned between the visitors and the hosts; and (iii) assist the flow of information among the members of the PEM PAL community. There are type A and type B study visits. The type A study visit is part of the COP activities and is planned within the COP specific budget. The type B study visit is part of the stand-alone study visit program and is planned through a special budget line within the overall PEM PAL budget (not within the COP specific budgets).

The main objective of a PEM PAL event is to involve all participants in an active exchange of ideas and information. This facilitates the process of learning from other countries' experiences, successes and mistakes. This promotes also benchmarking and comparing the reform process, and providing an incentive for change.

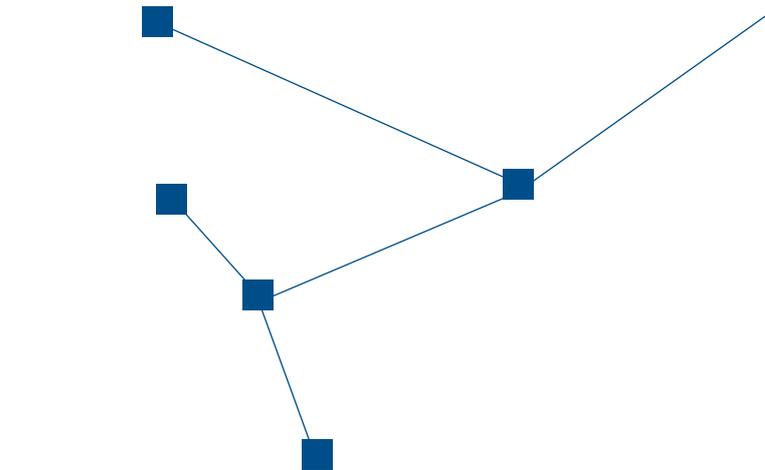


The Budget Management Guidelines, which the Steering Committee approved in spring 2012, set out basic principles that guide the COPs spending, and three limits vis-à-vis the amounts endorsed by the Steering Committee: for the COPs annual budgets (+/-15%); small group meetings (+20%); and, individual COPs plenary events (USD 180,000 + 20%)⁵.

These principles put the Executive Committees of the three COPs in the driving seat when it comes to setting the event agendas against the available budget envelopes, because the Steering Committee has made them responsible for managing their annual budgets and ensuring compliance with the limits set by the Steering Committee. The Secretariat constantly updates the information on the current status of the budgets (used and available amounts), so that the COPs can use this information (<http://www.pempal.org/about/action-plans/bcop>) when they plan their future activities.

For the FY13 (July 1, 2012 to June 30, 2013), the Steering Committee approved a total of USD 1.3 million for event-related expenses: USD 393,000 for the B COP, USD 464,000 for the T COP and USD 444,000 for the IA COP⁶. The COPs event-related expenses remained within the set limits in entire 2012.

The COPs have outlined their indicative action plans and budgets also for FY14, and the Steering Committee has confirmed them in the total amount of USD 1,526,000: USD 581,000 for the T COP, USD 510,000 for the B COP and USD 435,000 for the IA COP. These amounts include USD 150,000 per COP earmarked for the cross-COP plenary meeting to be held in the second quarter of 2014.



⁵ The guidelines set out the following principles:

- The COPs, assisted by the Secretariat, decide on the allocation of their annual budget envelopes.
- Flexibility is provided through the 15% COPs annual budget limit and the 20% event limit.
- A strict cap of USD 180,000 (+/-20%) applies to a single COP plenary event.
- No strict limits apply to smaller COP activities/events (e.g., working group meetings), as long as they are within the COPs annual budget envelopes. Nevertheless, 20% flexibility exists in relation to the budgeted amounts and without prior Steering Committee approval.
- Requests for increases can only be approved by the Steering Committee based on an *ex ante* review of the COPs activities, as well as objectives and rationale for the budget increase.
- A standard template has been designed as part of the Budget Management Guidelines to facilitate reporting to the Steering Committee and monitoring the COPs budgets.

⁶ In October 2012, the Steering Committee approved an increase of the IA COP budget by USD 15,000: from USD 429,000 to USD 444,000.

Managing event budgets

Total PEM PAL event-related expenses in 2012 increased with intensified activity and participation, and amounted to EUR 1.1 million (USD 1.3 million), compared to EUR 0.89 million (USD 1.3 million) in 2011. These expenses include travel, accommodation, translation and event moderation costs for the PEM PAL practitioners, and support of the Secretariat. They do not include expenses relating to the resource teams.

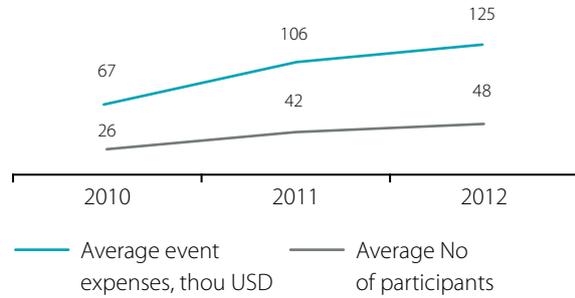
Average event expenses have recorded a steady rise due to increased participation. The average expenses of a regular event (excluding small group events and the cross-COP plenary meeting) were USD 67,000 in 2010, USD 106,000 (EUR 74,000) in 2011, and USD 125,000 (EUR 99,000) in 2012. The rise has been commensurate with increased participation at PEM PAL events: from 26 PEM PAL participants on average in 2010 to 42 in 2011 and 48 in 2012.

Structure of event expenses: a relative increase in accommodation expenses. The relative shares of both travel and translation expenses has been decreasing, while the relative share of accommodation expenses has been increasing in total event-related expenses. From 2010 to 2012, the share of the travel expenses went down from 40% to 33%, and the share of translation and event moderation expenses from 21% to 17%. Meanwhile, the relative share of the accommodation expenses alone increased by 11 percentage points, from 36% to 47% of total direct event-related expenses.

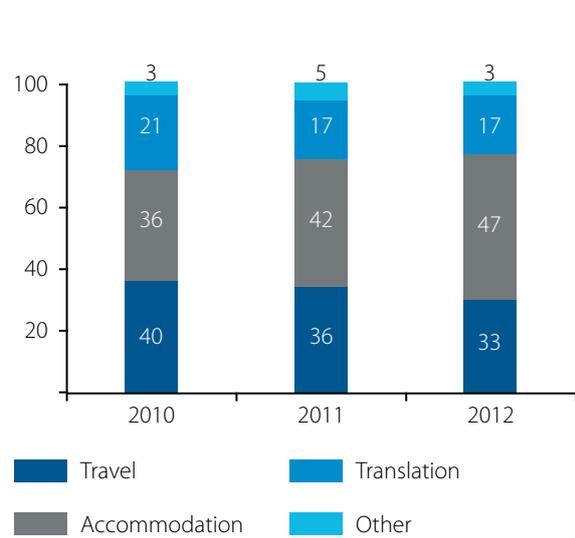
Expenses per participant/event (weighted average): **net expenses in EUR** did not change in 2012 from 2011. In net terms (excluding translation and the Secretariat), these expenses stayed in the same range as in 2011, at EUR 1,450. However, in gross terms (including translation and the Secretariat), they increased to EUR 2,449 (USD 3,098) in 2012 from EUR 2,130 (USD 3,030) in 2011.

Expenses per participant/day: decreased mainly due to longer event duration. Daily net expenses⁷ per participant (weighted average), measured in EUR and USD, went down to EUR 365 (USD 464) in 2012 from EUR 405 (USD 576) in 2011, mostly due to longer average event duration. In 2010, the average daily expenses per participant amounted to USD 435.

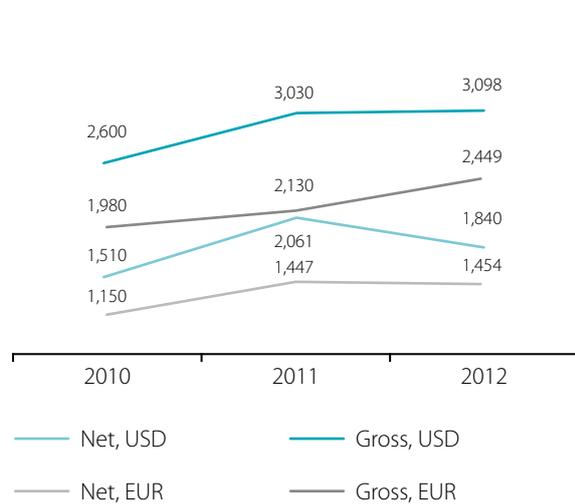
Average event expenses and participation



Structure of event expenses



Average expenses per participant



⁷ Including travel and accommodation expenses.

Quantitative and qualitative performance indicators

PEM PAL aims to produce value for participants and their institutions by enhancing capabilities and performance of the PEM PAL countries. This value is not always apparent, as it is not fully clear how an informal network could make a significant difference in a PFM reform, and how participants could inspire reform's design and implementation. Reforms bring results only in the long run, and their effects are difficult to measure across a wide array of beneficiaries. Moreover, the participants are directly subject to local policies and guidelines, with limited ability to steer the decision-making process.

A series of key quantitative and qualitative indicators has therefore been developed to better capture PEM PAL's value creation and devise directions for future work. Participants are being regularly asked through post-event surveys to provide feedback on the value they see in PEM PAL. A series of success stories has been developed

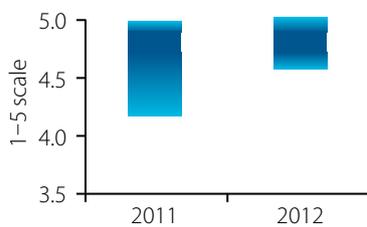
at end-2011 to learn directly from the participants about how PEM PAL has helped them in their daily work. The indicators are also intended to help the sponsors evaluate the effects of their contributions to PEM PAL. See Annex 1 for more details.

Assessing PEM PAL through World Bank post-event surveys

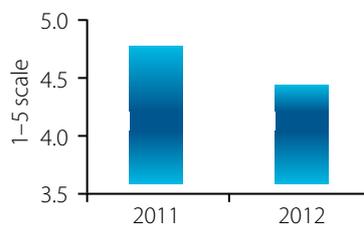
The post event surveys, mainly conducted by the World Bank, provide two sets of indicators: one assessing the value of events, and the other measuring interaction and activity, such as attendance, efficiency of events, participants' opinion, etc. In addition, participants' observations and suggestions are collected with the surveys.

The following graphs outline the outcomes of the surveys for 2011 and 2012.

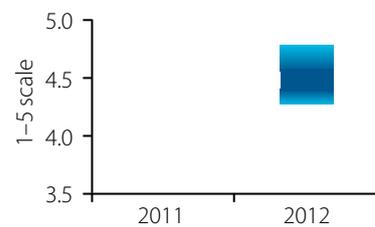
Overall event satisfaction remains high ...



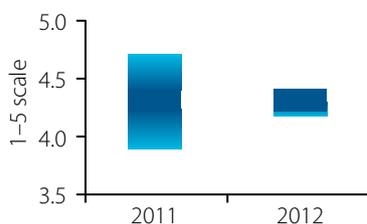
... because knowledge is applicable to daily work and ...



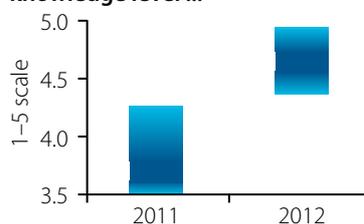
... events address relevant issues.



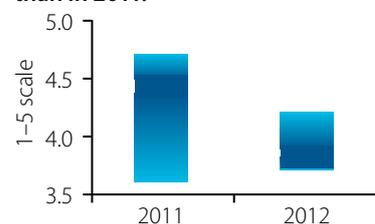
Participants appreciate learning from their peers' experience ...



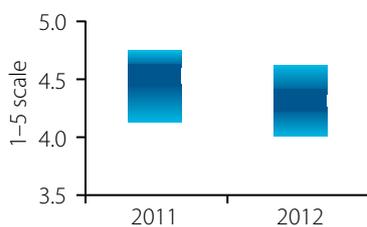
... and the level of discussion is increasingly aligned with their knowledge level ...



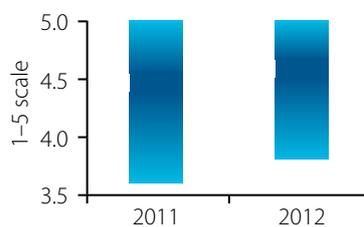
... while the prior expertise of participants was less equal in 2012 than in 2011.



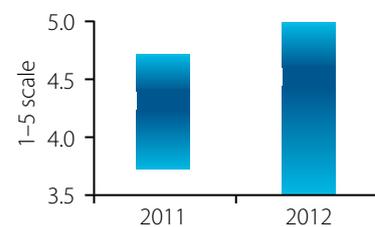
Presentations at events remain relevant and useful ...



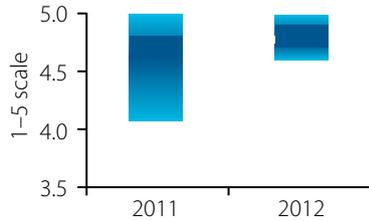
... and there is enough time for questions ...



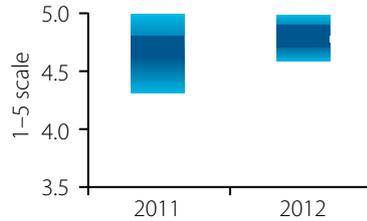
... and discussions.



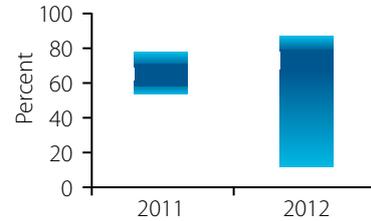
The quality of organization ...



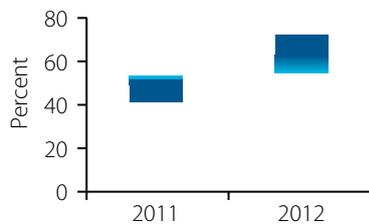
... and administration remains high ...



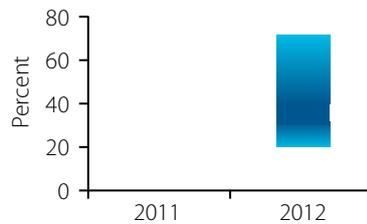
... and the event duration is about right.



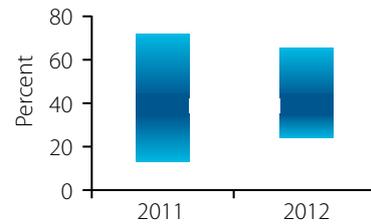
Participants felt they were more active in 2012 than in 2011.



For one out of three participants it was their first PEM PAL event ...



... and for three to four out of ten participants the events exceeded their expectations.



Feedback from participants in 2012

“The possibility to exchange different information on informal basis is most valuable.”

“The workshop assured us that our reforms go in the right direction.”

“We have 2–3 years till the end of our reforms, so other countries’ experience is the breath of life for us.”

“All knowledge from the meeting is of significant use in the process of eliminating the existing dilemmas.”

“Some ideas will be taken into consideration, others affirm our experience.”

Some suggestions the participants made in 2012 as to event organization

Small group discussions. Facilitated small group discussions work better than open discussions. In particular free discussions at the end of the day are helpful.

Presentations should be kept short and focused (more details and explanations). They should be delivered at a slower pace to allow for adequate translation and understanding of context. More time should be allocated to country presentations and discussions.

Discussions. Make room for more active discussion. There should be enough time to allow all questions to be answered, and all participants to present their views.

Visiting local offices proved useful.

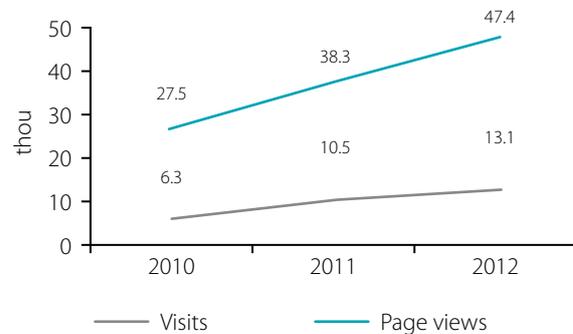
Measuring PEM PAL website traffic

The PEM PAL Secretariat monitors PEM PAL website visits systematically through Google Analytics, which provides a wealth of helpful information, e.g., on visits (number, duration, etc.).

The PEM PAL website traffic continues to increase. The number of visits more than doubled over the last three years, from 6,318 in 2010 to 13,191 in 2012, and the number of pages viewed grew as well, from 27,523 in 2010 to 47,388 in 2012.

These trends can be attributed to intensified activity, increased participation at the PEM PAL events, and occasional distributions of the PEM PAL newsletters and thank-you letters.

PEM PAL website traffic



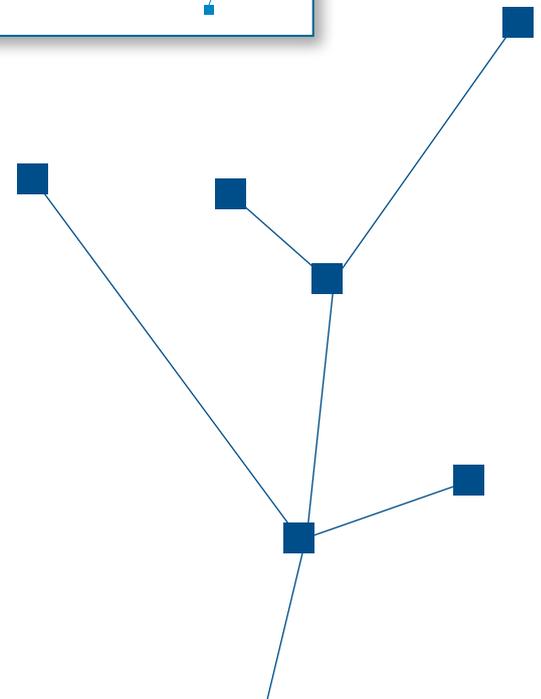
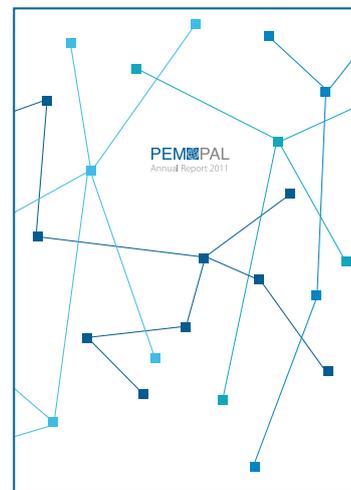
Success stories

The success stories talk, through interviews with 17 practitioners, about the value of PEM PAL for them, their institutions and the PFM reforms in their countries. The interviews were conducted in late 2011 and published in early 2012, together with the 2011 PEM PAL Annual Report.

The participants' stories demonstrated that PEM PAL promotes knowledge exchange, which is very much valued. PEM PAL is seen as a road map. Domestic capacities in public expenditure and financial management are enhanced by improving the capacities of individual participants. By creating connections that facilitate access to knowledge, PEM PAL also contributes to higher performance at institutional levels.

The participants observe PEM PAL's value creating process at various levels. It helps them establish new contacts, which in turn facilitate knowledge and experience exchange. By creating knowledge resources (e.g., manual, program of training and certification), PEM PAL assists in reform implementation efforts, because by getting materials and documents from their peers, which serve as templates, PFM practitioners save much of their precious time. When they share with their colleagues at home via seminars and presentations the experiences of other countries, lessons learned are conveyed to an even wider audience. This, in turn, contributes to quality improvements in internal systems and legislation, and leads to better PFM performance. See more:

www.pempal.org/success-stories



External evaluation of the PEM PAL network

The external evaluator (Mokoro Ltd) finalized their report, the second in PEM PAL's history, in mid-January 2012. The objective of the report was to assess the accountability of the PEM PAL program, and to improve understanding of the factors contributing to its outputs and outcomes. The evaluation found that PEM PAL has expanded its membership; has accessed more financial resources and deepened its functionality through improving the functioning of the Executive Committees and the Steering Committee; and has built a network institutional infrastructure. The evaluation is available here: www.pempal.org/evaluation

PEM PAL Strategy for 2012–2017 and its Results Framework

The PEM PAL Strategy and its Results Framework aim to enable the COPs to link their operational plans to PEM PAL's strategic values and objectives, and facilitate PEM PAL's long-term strategic assessment by benchmarking it to the Result Framework objectives. See more: www.pempal.org/strategy

The preparation of the Strategy benefited from an extensive consultation process, which started in mid-2011 and continued into 2012 to allow for a timely alignment with the recommendations of the external (Mokoro Ltd) evaluation. The Steering Committee approved the Strategy and its Results Framework in September 2012. The Results Framework was designed jointly by the leadership groups of all three COPs. The implementation cost of the PEM PAL Strategy is estimated at USD 10.5 million over the period of five years, from 2012 to 2017.

The Strategy's four output objectives and fifteen actions set the future direction for PEM PAL against a set of key performance indicators and several means of verification.





Output objective 1: PFM priorities of member governments are addressed by the PFM network platform.

- Action 1: Develop two-year rolling COP action plans aligned with COP-specific strategic plans and the PEM PAL Strategy 2012–2017 and its Results Framework.
- Action 2: Implement COP action plans in accordance with Budget Management Guidelines that address PFM priorities.
- Action 3: Identify synergies and working projects between the COPs.

Output objective 2: Quality resources and network services, supporting relevant PFM practices, are provided to the members.

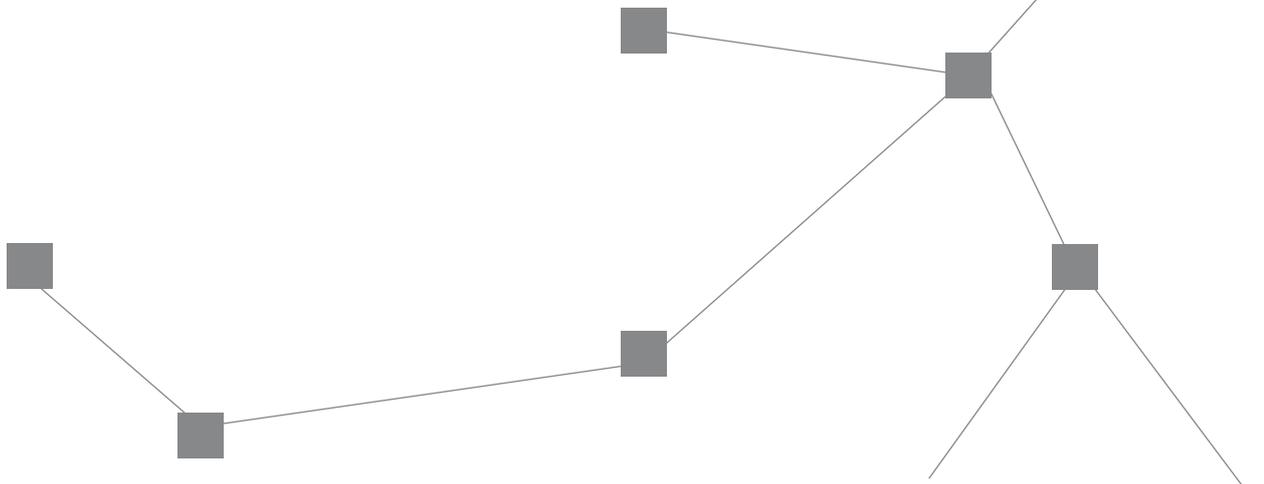
- Action 4: Ensure the Secretariat addresses members' needs in an efficient and effective way.
- Action 5: Develop and share knowledge resources and products.
- Action 6a: Facilitate access to PFM experts.
- Action 6b: Provide the Executive Committees with sufficient and effective support (COP technical resource teams).
- Action 7: Differentiate services to cater for the needs of countries at different reform levels.
- Action 8: Understand and follow the roles and responsibilities of key network actors as specified in the Operational Guidelines.
- Action 9: Facilitate access to PFM institutes through (a) showcasing institutes at COP plenary meetings, and (b) support study tours for countries interested in establishing such institutes.
- Action 10: Facilitate members working together in a geographically dispersed environment by adopting suitable technology solutions.

Output objective 3: A financially viable network of PFM professionals, committed to improving PFM practices in the ECA, is built and maintained.

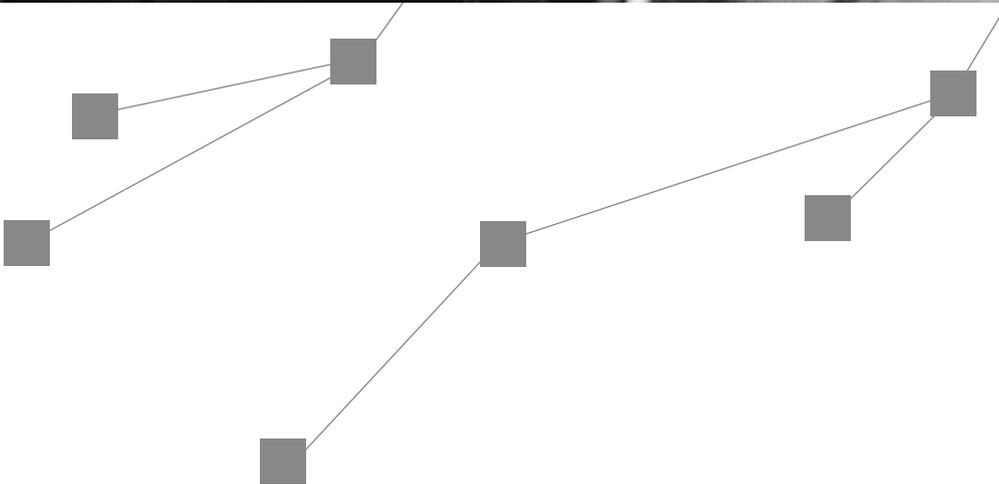
- Action 11: COPs monitor and sustain quality membership.
- Action 12: Seek co-financing and in-kind contributions from members, where possible.
- Action 13: Implement targeted marketing to donors and professional associations.

Output objective 4: Awareness of high government and political levels is raised regarding the benefits and value of engaging through PEM PAL.

- Action 14: Investigate the feasibility of transforming PEM PAL into a more formal network of national PFM institutions.
- Action 15: Implement revised approach to marketing at senior management level.



Working with
stakeholders



PEM PAL Steering Committee

The PEM PAL Steering Committee held four meetings in 2012, on February 16–17 in Ljubljana, Slovenia; on May 15 via video conferencing; on September 3–6 in Paris, France; and on December 13 via video conferencing. The agendas of the meetings included strategic documents, reporting and internal regulation. See the minutes: www.pempal.org/event/sc_meetings

Strategic documents

PEM PAL external evaluation. The Steering Committee reviewed the recommendations of the PEM PAL external (Mokoro Ltd) evaluation, and discussed how they can be incorporated into the PEM PAL Strategy for 2012–2017.

PEM PAL Strategy for 2012–2017 and Results

Framework. The Steering Committee was actively involved in a wide consultation process aimed to come to an agreed understanding of the goals, outcomes and output objectives of the Strategy and its Results Framework, and how these will be achieved and measured.

Reporting

COPs action plans and budgets, update on funding.

The Steering Committee discussed and approved the COPs budget envelopes for the FY13 (from July 2012 until June 2013) and FY14 (from July 2013 until June 2014). At each session, the Committee reviewed implementation of the COPs action plans and budgets, and related funding.

The Steering Committee endorsed also the Secretariat's progress reports, the 2011 PEM PAL Annual Report and 2011 PEM PAL Success Stories, and reviewed the functionality of the new online PEM PAL Virtual Library.



Internal regulation

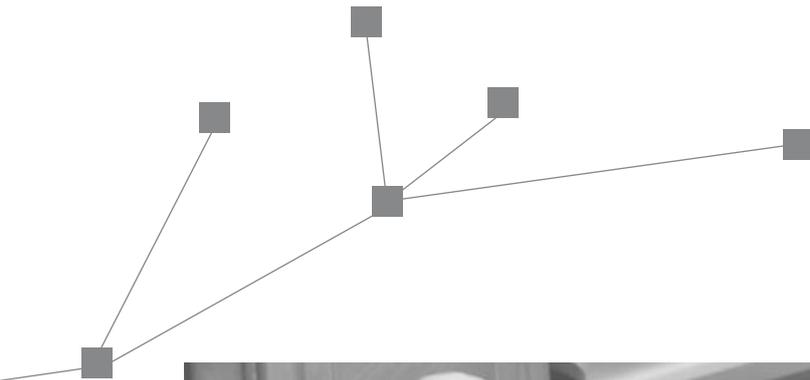
The Steering Committee approved the Budget Management Guidelines, which assist the COPs in planning their activities and budgets.

In addition, the Committee discussed amendments to internal regulations. This includes clarifications of the Guidelines for Study Visits and updates to the Operational Guidelines to be approved at the Steering Committee meeting in March 2013. The Committee agreed also to include tasks from the Strategy's Results Framework in its work plan.

The Steering Committee postponed the discussion on the venue/timing and topics of the next PEM PAL plenary meeting to its March 2013 meeting.

At end-2012, the Steering Committee included the representatives of sponsors (the World Bank, Swiss State Secretariat for Economic Affairs (SECO), Ministry of Finance of the Russian Federation, OECD/SIGMA) and the COPs (Chairs of the Executive Committees).

Salome Steib	SECO	Switzerland	Chair of the Steering Committee, Donor	Member
Elena Nikulina	WB		Task Team Leader	Member
Anna Valkova	MoF	Russia	Donor	Member
Andrey Bokarev	MoF	Russia	Donor	Member
Marius Koen	WB		WB Thematic Expert	Member
Joop Vrolijk	OECD/SIGMA		Donor	Member
Diana Grossu Axenti	MoF	Moldova	Chair of PEM PAL IA COP	Member
Gelardina Prodani	MoF	Albania	Chair of PEM PAL B COP	Member
Angela Voronin	MoF	Moldova	Chair of PEM PAL T COP	Member
Deanna Aubrey	WB		PEM PAL PFM Advisor	Permanent observer
Senka Maver	CEF		PEM PAL Secretariat	Permanent observer



Sponsors and sources of funds

PEM PAL has so far enjoyed substantial financial and in-kind support from donor governments and multilateral institutions, such as the SECO (Swiss development agency), the Russian Federation, the World Bank, the OECD/SIGMA, the GIZ (German development agency), the IMF, the US Treasury, the DFID and others.

In the funding period from July 2010 to June 2012, in total USD 3.9 million was made available for PEM PAL activities. Financial contributions were provided from the World Bank's Development Grant Facility (USD 0.175 million) and the World Bank administered Multi-Donor Trust Fund (MDTF; USD 3.75 million). The MDTF received planned contributions from SECO (USD 0.76 million) and the Russian MoF (USD 1.9 million). The Russian MoF contributed an additional USD 0.95 million effective end-December 2011, allowing for a continued implementation of the previously planned activities. InWent contributed USD 140,000 in 2009 and 2010.

In-kind contributions were provided to the PEM PAL network by the World Bank, the OECD/SIGMA, the GIZ, the IMF and other development partners. The OECD/SIGMA contribution was USD 50,000 in 2011 and EUR 80,000 in 2012.

Donors' continuous engagement allows for a sustainable approach to PEM PAL's future activities. The Russian Federation and the SECO stand ready to support PEM PAL financially through FY16. The OECD/SIGMA will stay active with their in-kind contribution. Some other donors (e.g., GIZ) also intend to sponsor individual COPs activities.

In March 2013, total confirmed resources available for FY13–16 spending amounted to USD 8,345,000, of which USD 5,405,000 is available in FY13. Cost estimates for activities planned during the PEM PAL Strategy 2012–2017 implementation period amount to USD 10,540,000. Several new donors expressed readiness to provide in-kind (e.g., resource persons) and/or financial contributions to PEM PAL.

More and more, the PEM PAL member countries sponsor accommodation and travel expenses to enable greater participation over and above that covered by PEM PAL.

PEM PAL Secretariat

The role of the PEM PAL Secretariat is to support the PEM PAL program in performing its mandate. The Secretariat's functions include: organizing face-to-face events; providing background materials for the Steering Committee discussions (e.g., amendments to internal regulations, updates on the COPs budgets); monitoring performance based on a comprehensive set of indicators; preparing progress and annual reports; maintaining and editing the PEM PAL website and newsletter; maintaining records of the PEM PAL events and the Virtual Library; and organizing online meetings.

The Center of Excellence in Finance has been operating as the PEM PAL Secretariat since 2008. In 2012, the Center won a PEM PAL Secretariat contract in a competitive bidding. The contract, to become effective on April 1, 2013, will be for another two years.



3. Monitoring event expenses

	2012				2011				2010			
	EUR ⁱⁱ		USD		EUR		USD		EUR		USD	
	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value
3.1. Total travel, accom., transl./moder. expenses ⁱⁱⁱ	76%	803,526	100%	1,015,712	80%	710,228	100%	1,011,675	76%	321,406	100%	321,406
3.1.1. Transport		265,650	33%	336,676		255,081	36%	363,253		128,707	40%	128,707
3.1.2. Accommodation		376,932	47%	475,106		296,854	42%	423,228		117,282	36%	117,282
3.1.3. Translation / event moderation		134,639	17%	170,170		121,487	17%	172,809		66,183	21%	66,183
3.1.4. Other		26,305	3%	33,761		36,805	5%	52,384		9,234	3%	9,234
3.2. Translation/publication for three COPs	6%	59,557		75,632	3%	22,119		31,293	6%	25,364		25,364
3.3. Secretariat fee ^{iv}	19%	199,675		253,105	17% ^v	158,064		223,616	18%	75,000		75,000
3.3.1. Event related		84,675		107,066								
3.3.2. Fixed		115,000		146,039								
3.4. Total event expenses ^{vi} (=3.1+3.2+3.3)	100%	1,062,759		1,344,450	100%	890,411		1,266,583	100%	421,770		421,770
3.5. Gross expenses per part. (=3.4/3.10)		2,449		3,097		2,130		3,030		2,600		2,600
3.6. Net expense / participant, w.av. [=3.1-trans ^{vii} /3.10 ^{viii}]		1,454		1,840		1,447		2,061		1,510		1,510
3.6.1. BCOP, weighted average		1,471		1,944		1,638		2,342				
3.6.2. IA COP, weighted average		1,583		1,989		1,074		1,517				
3.6.3. T COP, weighted average		1,344		1,691		1,556		2,242				
3.6.4. Cross-COP, weighted average		2,203		2,717		1,502		2,128				
3.7. Expenses per participant per day, weighted average ^{ix}		365		464		405		576		435		435
3.8. Av. total exp/reg. ev (excluding plenary, small events) ^x		99,000		125,000		74,000		106,000		67,000		67,000
3.9. Secret. fee, as % of total event expenditure (3.4)		19%			15% (17%) ^{xi}				18%			
3.10. No of COP participants		434				418				163		
3.11. No of COP part/reg. ev. (excluding plenary, small events)		48				42				26		
3.12. No of COP events (reg./small group events/Plenary)		13 (8/5/0)				10 (6/3/1)				8 (5/3/0)		
3.13. Average USD/EUR exchange rate		1,2699				1,4147						
3.14. Event exp. (3.1) and part. (3.10.) by COP		% of expenses	% of participants	% of expenses	% of participants	% of expenses	% of participants	% of expenses	% of participants	% of expenses	% of participants	% of participants
• B COP		16	15	19	15	16	17	16	17	16	17	17
• IA COP ^{xii}		32	32	16	21	16	40	52	40	52	40	40
• T COP		37	44	25	24	25	42	32	42	32	42	42
• Cross-COP		13	6	41	40	41						
• Type B study visit		2	2									
		100% (EUR 803,526)	100% (434)	100% (EUR 710,228)	100% (418)	100% (EUR 710,228)	100% (418)	100% (USD 321,406)	100% (163)	100% (USD 321,406)	100% (163)	100% (163)

PEM PAL events (see legend on p 37)	2011												2010											
	1	2	3	4	5	6	7	8	9	10	11	12	13	1	2	3	4	5	6	7	8	9	10	
3.15. No of COP participants	5 ^{viii}	52	57	37	46	77	7	22	15	32	10	64	10	11	133	41	24	54	22	61	10	52	10	
3.16. Expense/partic/event ^{iv}	EUR	1,234	1,049	1,440	1,238	1,813	1,505	1,722	3,084	1,737	1,693	1,257	1,388	326	1,414	1,545	1,169	1,615	2,036	1,563	1,002	1,045	1,760	
3.17. Expense/partic/event ^{iv}	USD	1,602	1,366	1,924	1,613	2,194	1,846	2,107	3,781	2,130	2,182	1,768	1,600	460	1,995	2,206	1,669	2,325	2,930	2,266	1,345	1,479	2,429	
3.18. Expense/partic/day ^{xvi}	EUR	530	300	411	275	330	430	492	679	368	308	397	490	170	404	343	292	461	582	447	501	343	440	
3.19. Expense/partic/day ^{xvii}	USD	687	390	550	358	399	527	602	840	473	397	361	505	230	570	490	417	664	837	648	673	423	607	

Source: PEM PAL Secretariat

4. Promoting knowledge sharing

	2012												2011					2010		2009
	I-XII	Q4	Q3	Q2	Q1	I-XII	Q4	Q3	Q2	Q1	I-XII	Q4	Q3	Q2	Q1	I-XII	I-XII			
4.1. PEM PAL website traffic analysis																				
• No of visits	13,191	3,487	2,827	4,035	2,842	10,459	3,614	2,534	2,697	2,591	3,062	2,534	9,763	2,591	6,318	3,062	13,983			
• No of page views	47,388	13,083	10,185	14,885	9,235	38,344	12,487	9,763	9,954	9,722	13,983	9,763	9,954	9,722	27,523	13,983	13,983			
4.2. Wiki traffic analysis																				
• No of visits																				
• No of page views																				
4.3. Virtual Library uploaded documents, balance					615															
4.4. Newsletters issued																				

Sources: Google Analytics (PEM PAL website and wiki traffic analysis) and PEM PAL Secretariat (Virtual Library and Newsletter)

Legend: 2011 PEM PAL events: (1) TOT, Croatia, January; (2) Cross-COP plenary meeting, Croatia, January; (3) T COP, Slovenia, April; (4) IA COP, Moldova, June; (5) B COP, Belarus, June; (6) Cross-COP, Switzerland, July; (7) T COP, Kazakhstan, September; (8) study visit of Moldova to Croatia, October; (9) IA COP plenary meeting, Macedonia, October; (10) B COP study visit of Uzbekistan to Slovenia, October. **2012 PEM PAL events:** (1) Cross-COP and Steering Committee meeting, Slovenia, February; (2) T COP, Georgia, February; (3) B COP, Slovenia, March; (4) IA COP, Bulgaria, April; (5) IA COP, Hungary, June; (6) T COP, Russia, June; (7) B COP Executive Committee, Estonia, June; (8) Cross-COP and SC meetings, France, September; (9) IA COP study visit to Bulgaria, September; (10) IA COP back-to-back three WG sessions, Ukraine, October; (11) Type B study visit of Uzbekistan to Croatia, October; (12) T COP, Azerbaijan, November; (13) IA COP study visit, Poland, November.

ⁱ Exchange rates EUR/USD as at the time of events
ⁱⁱ Expenses directly related to PEM PAL events include travel, accommodation, event-related translation / event moderation and other expenses (e.g., visa). Cross-COP related translation/publication expenses and the Secretariat fee not included.
ⁱⁱⁱ The Secretariat fee for 2011 includes Success Stories and Virtual Library project. Without this project the Secretariat fee represents 15% of total event expenses (3.4).
^{iv} Amounts for 2011 include the Secretariat fee of EUR 19,000 (USD 27,000) related to the Success Stories and Virtual Library project. Without this project the Secretariat fee represents 15% of total event expenses (3.4).
^v Total event expenses do not include expenses related to resource teams and speakers.
^{vi} Includes all translation / event moderation / publication expenses (COP-specific and cross-COP).
^{vii} Expenses relate to travel, accommodation and other costs only (e.g., visa), and exclude the costs of translation / event moderation / publication (COP-specific and cross-COP), and the Secretariat fee.
^{viii} Regular COP events refer to COP workshops or seminars. Small group events refer to study visits and leadership group meetings. Plenary meetings refer to cross-COP plenary meetings.
^{ix} The Secretariat fee for 2011 includes Success Stories and Virtual Library project. Without this project, the Secretariat fee represents 15% of total event expenses (3.4).
^x The IA COP usually organizes back-to-back events (e.g., working group plus plenary session, or back-to-back working group sessions).
^{xi} In total, there were 21 participants (donors, resource team and COPs' representatives) of which 5 were COP representatives.
^{xii} Expenses/participant/event does not include translation / event moderation / publication expenses or the Secretariat fee.
^{xiii} Expenses/participant/event does not include translation / event moderation / publication expenses or the Secretariat fee.
^{xiv} Expenses/participant/day does not include translation / event moderation / publication expenses or the Secretariat fee.
^{xv} Expenses/participant/day does not include translation / event moderation / publication expenses or the Secretariat fee.
^{xvi} Expenses/participant/day does not include translation / event moderation / publication expenses or the Secretariat fee.
^{xvii} Expenses/participant/day does not include translation / event moderation / publication expenses or the Secretariat fee.

22 member countries

Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Hungary (IACOP only), Kazakhstan, Kosovo, Kyrgyzstan, Macedonia, Moldova, Montenegro, Romania, Russian Federation, Serbia, Tajikistan, Turkey, Ukraine and Uzbekistan.

Three Communities of Practice

Budget

(www.pempal.org/about/governance/ex-com-bcop)

Internal Audit

(www.pempal.org/about/governance/ex-com-iacop)

Treasury

(www.pempal.org/about/governance/ex-com-tcop)

Community of Practice (COP)

... is a learning partnership among practitioners, who find it useful to learn from and with each other about experiences and solutions in public financial management.

Members of the COP

... are public finance officials in the PEM PAL member countries, who have been nominated by public administration institutions that provide services to the governments in these countries in the functional areas of budget, treasury and internal audit as interpreted/evaluated by the Executive Committee of the respective COP.

Executive Committee (EC)

... is a governing body of a COP. Membership is determined through nomination by the current members of the EC through consideration of the level of active involvement of a COP member.

Chair of a COP

... is appointed by the members of the EC.

PEM PAL Steering Committee (SC)

... represents the PEM PAL network. It is comprised of two representatives of the World Bank, two members of each COP, including the Chair, and one representative of each sponsor. The Secretariat and Resource Team representatives act as permanent observers.

(www.pempal.org/event/sc_meetings)

World Bank Task Team Leader

... is a representative of the World Bank responsible for approving activities within the PEM PAL World Bank administered budget and assuring overall budget implementation.

PEM PAL Secretariat

Center of Excellence in Finance, Ljubljana, Slovenia
(www.cef-see.org)

Resource Team

... is a group of thematic experts who provide professional expertise, coordination support, technical assistance, and strategic guidance on activities and events to the SC, EC and COP members.

Alumni

All members of the COPs, representatives of the sponsors and experts, who stay engaged with PEM PAL even after their retirement from the position that made them eligible for participation in PEM PAL.

PEM PAL events

Events are planned and devised by the ECs, and are included and budgeted in the COPs action plans
(www.pempal.org/activities).

PEM PAL study visits

There are two types of study visits, type A and type B. The main distinction is based on the budget source from which the visit is paid for (www.pempal.org/activities).

PEM PAL plenary meetings

Cross-COP meetings

(www.pempal.org/event/plenary_meeting)

PEM PAL regulations

Operational Guidelines (www.pempal.org/rules)

Guidelines for study visits (www.pempal.org/rules)

Guidelines for events (www.pempal.org/rules)

Budget management guidelines

(www.pempal.org/rules)

PEM PAL resource materials

PEM PAL encourages creation of resource materials to help members of the COPs improve skills and knowledge, and facilitate change.

Virtual Library (www.pempal.org/library)

Glossary of Terms (www.pempal.org/glossary)

Frequently Asked Questions (www.pempal.org/faq)

PEM PAL strategy

Launched in September 2012, provides guidance for PEM PAL activities in 2012–2017

(www.pempal.org/strategy)

Monitoring and evaluation

2011 PEM PAL Success Stories

(www.pempal.org/success-stories)

2011 Annual Report (www.pempal.org/reports)

2012 Annual Report (www.pempal.org/reports)

2012 External Evaluation (www.pempal.org/evaluation)

	CY 2012	CY 2011
Events	8 regular 5 small	6 regular 3 small 1 big plenary meeting
PEM PAL participants	434	418
Hosting countries	11	6
Total event expenses	EUR 1.1 million (USD 1.3 million) ⁸	EUR 0.89 million (USD 1.3 million)
Average expenses per regular event	EUR 99,000 (USD 125,000) Av. 48 participants	EUR 74,000 (USD 106,000) Av. 42 participants
Net expenses/participant/event (excluding translation and Secretariat expenses)	EUR 1,454 (USD 1,840)	EUR 1,447 (USD 2,061)
Net expenses /participant/day	EUR 365 (USD 464)	EUR 405 (USD 576)
Gross expenses/participant/event	EUR 2,449 (USD 3,098)	EUR 2,130 (USD 3,030)
Overall satisfaction with events	4.6–5.0 / 5.0	4.3–5.0 / 5.0
Appreciate learning from peers	4.2–4.4 / 5.0	3.9–4.7 / 5.0
Knowledge level appropriate	4.5–4.8 / 5.0	2.8–4.1 / 5.0
Topics applicable for work	3.6–4.3 / 5.0	3.6–4.6 / 5.0
Event participation active	51–67%	31–61%
PEM PAL website		
No of visits	13,191	10,459
No of page views	47,388	38,344

⁸ The total event expenses amounted to EUR 1.1 million in 2012 and EUR 0.89 million in 2011, although in both years the USD amount was the same at USD 1.3 million. The reason for this is the depreciation of the euro against the US dollar in 2012 compared to 2011. In 2011 the average USD/EUR exchange rate, measured at the time of each individual event, was 1.4147, while in 2012 it was 1.2699.

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