



PEM  PAL

FACT SHEET

BUDGET COMMUNITY OF PRACTICE (BCOP)



Budget
Community of
Practice

WHAT IS PEMPAL AND BCOP?

PEMPAL, the Public Expenditure Management Peer-Assisted Learning network is a network through which public finance officials from member countries in the Europe and Central Asia region connect, collaborate, and engage in mutual learning and problem-solving to drive public financial management (PFM) reform design and implementation. The network, launched in 2006 and currently operating under the 2017-2025 PEMPAL Strategy, aims to contribute to strengthening PFM practices in the member countries through developing and disseminating information on good PFM practices and their application.

The network is funded from a multi-donor trust fund and is organized around three thematic communities of practice:

- Budget Community of Practice (BCOP),

- Treasury Community of Practice (TCOP), and
- Internal Audit Community of Practice (IACOP).

The main overall objective of BCOP is to strengthen budget methodology, planning, and transparency in member countries.

WHAT LEARNING MECHANISMS ARE USED?

Peer-to-peer learning is the main instrument used.

Participants work together face-to-face and online to share knowledge and develop approaches to addressing common PFM problems. In contrast with traditional training approaches, participants formulate their own activity plans and play the role of experts within the peer groups, so they are not only receivers but also providers

of technical assistance.

BCOP activity plans include sharing and creation of knowledge through face-to-face learning events, virtual meetings, and study visits, and through development of knowledge products. BCOP activities are driven by member-led action plans that address key budgeting reform priorities of Ministries of Finance of member countries. BCOP conducts annual survey of its members to gather countries' priorities. Topics within two broad thematic areas have been identified as most common recent member priorities: i) budget literacy, transparency, and public participation, and ii) program and performance budgeting.

WHO ARE BCOP MEMBERS?

BCOP members represent 19 ECA countries. Members are typically mid- to high-level officials in budget planning or budget methodology/policy units in the budget departments/sectors in Ministries of Finance. BCOP Members provide significant content contributions by developing and delivering presentations, reviewing and providing inputs to BCOP's knowledge products, and planning activities. BCOP membership includes 300+ budget officials from Ministries of Finance of ECA countries.

WHO LEADS BCOP AND PEMPAL?

BCOP is led by the BCOP Executive Committee consisting of the representatives from the Ministries of Finance of nine member countries, who elect Chair on an annual basis. Technical expertise, coordination and support is provided by the World Bank BCOP Resource Team, and the administrative support is provided by the PEMPAL Secretariat. At the network level, PEMPAL is led

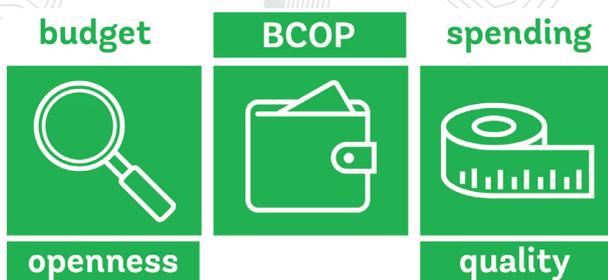
by the Steering Committee comprising of COP Chairs, Deputy Chairs, World Bank and donor representatives.

WHAT ARE BCOP PRIORITY THEMATIC AREAS OF INTEREST?

- 1. Sharpening tools for effective fiscal management** with primary focus on performance and program budgeting (through work of the BCOP Program and Performance Budgeting Working Group - PPBWG), while identifying member countries' challenges and priorities in other relevant areas (some of examined topics include baseline expenditures, capital budgeting/public investment management, intergovernmental fiscal relations, fiscal risks, fiscal consolidation, and wage bill management);
- 2. Strengthening fiscal transparency and accountability** with focus on budget literacy, transparency, and public participation (through work of BCOP Budget Literacy and Transparency Working Group -BLTWG) initiatives; and
- 3. Expanding internationally available data on budgeting in PEMPAL countries** through identification and sharing of budget-related good practices and benchmarking within and outside of the PEMPAL region.

In line with the members' thematic priorities of the members, the main feature of BCOP's recent work has been facilitation of knowledge sharing and resource development in the topics of the two BCOP working groups: Budget Literacy and Transparency Working Group (BLTWG) and Program and Performance Budgeting Working Group (PPBWG). BCOP has a close cooperation with the OECD, through OECD's Senior Budget Officials' Working Party on Performance and Results, and OECD's





Network for Senior Budget Officials from Central, Eastern, and South-Eastern European Countries.

BCOP's recent general knowledge products that outline the key takeaways for PEMPAL countries from BCOP discussions in different thematic areas include (click on the name of the product to view it on the PEMPAL website):

- [Modernization of Budgeting: Current Directions and Tips](#) based on October 2022 events
- [Trends in Program Budgeting, Budget Openness, Climate Change Responsive PFM, and Health Sector PFM: Key Takeaways from the PEMPAL BCOP 2023 Plenary Meeting](#)
- [Key Budgeting Reforms and Tools in the Current Focus of Finance Ministries](#) based on December 2023 events

WHAT ARE THE ACTIVITIES OF BCOP'S BLTWG?

BCOP's Budget Literacy and Transparency Working Group (BLTWG) focuses on ways to improve budget literacy, openness, and access to citizens, as well as public participation in the budget process. BLTWG cooperates with several international organizations, including the World Bank, the International Budget Partnership (IBP), OECD, and Global Initiative for Fiscal Transparency (GIFT).

Main recent BLTWG knowledge products are (click on the name of the product to view it on the PEMPAL website):

- [Breaking Challenges in Constructing Citizens Budgets for PEMPAL Countries](#)
- [Public Participation in Fiscal Policy and the Budget Process – Establishing and/or Strengthening Mechanisms in PEMPAL Countries](#)

- [Participatory Budgeting: Public Participation Mechanisms for National Ministries of Finance](#)
- [Participatory Budgeting for Youth](#)
- [Improving Budget Documentation Clarity and Accessibility](#)

WHAT ARE THE ACTIVITIES OF BCOP'S PPBWG?

BCOP's Program and Performance Budgeting Working Group (PPBWG) focuses on ways to improve spending effectiveness through design and implementation of program and performance budgeting and spending reviews.

PPBWG has a close cooperation with the OECD, including, *inter alia*, facilitation of the participation of PEMPAL countries in the OECD surveys in the topics of performance budgeting and spending reviews.

Main recent PPBWG knowledge products are (click on the name of the product to view it on the PEMPAL website):

- [Performance Indicators in PEMPAL Countries: Trends and Challenges – How Does Budget Spending Measure Up?](#)
- [Performance Budgeting and Spending Reviews in PEMPAL Countries: Practices, Challenges, and Recommendations](#)
- [Conducting Rapid Spending Review to Identify Measures for Budget Balancing](#)
- [Spending Reviews in the Netherlands](#)
- [Trends in Spending Reviews in PEMPAL Countries Benchmarked to Trends in OECD Countries](#)
- [General Guidance on Linking Strategic Planning and Budgeting](#)

WHAT IS THE VALUE OF BCOP TO ITS MEMBERS?

In the May 2024 BCOP members' survey on impact, all surveyed countries reported that knowledge gained through BCOP has increased the capacities and has been used in reforms. In the November 2024 Ministerial

survey, all BCOP countries reported that BCOP has had significant or medium impact on their budgeting systems. BCOP members assess the quality of PFM knowledge resources developed or made available through BCOP as high.

BCOP develops knowledge products in different formats, such as analytical reports based on cross-country survey data with recommendations; collation of global good practices; deep-dive analysis of a country's practices; and key takeaways for member countries from BCOP's meetings and discussions. BCOP has published 14 knowledge products, available on PEMPAL website. In addition, BCOP has developed and shared with its members over 300 other resource materials categorized in sixteen budgeting topics.

BCOP's work has contributed to significant progress in member countries' budgeting, as evidenced by international assessments, such as:



- 25% increase in PEFA scores for budget planning
- 45% improvement in the Open Budget Index for budget transparency
- 11 countries now fully implement program budgeting with performance targets, while the remaining 8 are in the preparation phase or expanding from the piloting stage.



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