

Public Expenditure Management Peer Assisted Learning (PEMPAL)

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Financial Arrangements for FY09 (Amount in US \$ Million)	
Total Budget:	6.14
DGF Funding Request:	0.30
DGF Percentage:	5%
Objectives and Expected Outcomes	
<p>The goal of the PEMPAL program is to develop active and sustainable networks of practitioners in public finance in the Europe and Central Asia (ECA) region so that they can benchmark their own performance relative to others, share experiences of implementation of reforms in public finance, and uses the benchmarks and shared knowledge of reform experiences to improve practices in their own country.</p>	
Main Components	
<p>The PEMPAL program supports activities that bring ECA practitioners together to enhance communication and peer learning. Activities include workshops, development and use of benchmarking tools, exchange visits, internships, video conferences, counseling of experts, clinics between participants, web-based exchange of documents, and joint pilot activities. Separate networks or Communities of Practice (COPs) have been established for three different groups of practitioners in public finance (budget, treasury, internal audit) and a fourth is being developed for external audit. The design of a program of activities is largely the responsibility of the leadership and members of each COP (all now have elected leadership).</p> <p>The program has also developed tools for peer learning and communication such as an interactive website (currently being expanded with increased functionality based on demand) that provides access to source materials in public expenditure management and to discussion and web blog facilities in Russian and English.</p>	
Performance Indicators	
<ul style="list-style-type: none"> - A minimum of four networks of practitioners in public finance in the Europe and Central Asia region are organized and effectively interacting as Communities of Practice. - The PEMPAL interactive website is fully functional and regularly used by participants. - PEMPAL is evaluated as an effective method of learning and capacity building by the participants and by annual independent evaluations (the initial evaluation is underway and expected to be completed in the fall). - Participants in all COPs have benchmarked their country's performance using specific and actionable indicators, and these benchmarks are shared among the participants. - Participants utilize PEMPAL funds made available for independent country-driven proposals. - The CEF has developed the capacity to organize PEM-PAL events and to support the COPs in undertaking their activities. 	

Progress and Achievements

Three COPs are now functional (treasury and internal audit since 2006 and budget since 2007) with members from 17 countries. In February 2008 all elected leadership teams. A fourth COP for external auditors will be launched in June 2008.

For the first time, a plenary meeting of all COPs was held in Feb. 2008 in Istanbul (jointly with individual COP meetings). The plenary focused on the important cross-cutting issue of monitoring and evaluating PFM systems. Follow-on activities are ongoing. Each COP is preparing a budget for its annual activities for 2008-2009.

The CEF took over as the PEMPAL Secretariat in January 2008, an important step in making the initiative more sustainable in the ECA region.

In addition other activities (formal and informal) take place on an on-going basis: these can include exchange visits, learning events, and other knowledge exchange opportunities. Activities to date include exchange visits between several countries (Kyrgyz-Moldova; Montenegro-Lithuania; Tajikistan-Armenia) and a roundtable discussion (in Tajikistan) where ministers and senior officials from several countries discussed their experiences with MTEF.

An additional benchmarking exercise was undertaken on program budgeting in 2007 and a benchmarking tool for internal audit is under development (the Treasury tool was developed in 2006-07)

The evaluation of PEMPAL is underway.

Partners

DFID, GTZ, InWent, OECD, US Treasury OTA, SECO, WBI and ECSPE.

Governance and Management

Representatives of the PEMPAL countries and of the development partners have established a Steering Committee (SC) that includes a number of representatives of the participating countries and all the contributing partners. The representatives of the participating countries on the SC are selected by the COPs. The SC maintains oversight of the program, sets out directions, and approves the annual budget.

Current members of the SC are: DFID, GTZ, InWent, OECD, US Treasury OTA, SECO and ECSPE. The participating countries are represented by Moldova, Croatia, and Montenegro (the new executive leaders of the COPs). Ms Cheryl Gray, former Sector Director ECSPE was chosen as the first Chairperson of the SC, while the US Treasury representative succeeded her in September 2007. The SC meets 4 times a year (via VC and meetings).

Over time, the participating countries are expected to play an increasing role in the governance of the program and on the SC. The involvement by PEMPAL countries in the leadership and management of the PEMPAL program is taking place through leadership of the COPs.

Exit Strategy

The activities of PEMPAL and the governance structure of the program are all aimed at increasing the leadership role and ownership of the program by the participating countries, with gradual disengagement of the Bank. The participants of the COPs have assumed more responsibility for managing their networks and activities. Experience with the development of COPs in other regions shows that usually a period of 3-5 years is required before these communities become self-sustaining. The transfer of secretariat responsibilities from the Bank to the CEF has also strengthened regional ownership and administration, and has created a sustainable infrastructure. Management of the PEMPAL website has also been moved to the CEF. While the Bank intends to remain heavily engaged in the SC and in individual activities, its role in management and administration is thus expected to decline steadily from 2007 to 2010.