3rd Meeting of the Supervisory Board

AD agenda item 5b

Report from the 1st session of the Advisory Board
Report to: The Supervisory Board  
From: The Advisory Board

1. The Advisory Board (AB) has been constituted as called for by the Supervisory Board (SB) at its meeting in 2002. The inaugural meeting was held today at the CEF offices in Ljubljana. This Report is submitted to the SB in accordance with the Statute.

Organisational matters

2. Membership of the AB consists of institutions actively supporting the CEF and attendance at the first meeting was as follows:
   - World Bank; represented by Mr Roger Grawe
   - IMF; unable to send representative
   - Netherlands; represented by Mr Enrico van Exel
   - US Treasury; represented by Mr Regis Chapman
   - OECD/SIGMA; represented by Mr Lars Lage Olofsson

The Director, Ms Mira Dobovisek, attended on behalf of the CEF along with Mr. Larry O’Toole, the IMF Advisor to the CEF for 2003.

3. The AB agreed that it should meet at least once per year in the period before the annual meeting of the SB, and that some future AB meetings may be attended by observers invited on behalf of other donors or offering special expertise.

Special attention should be given to attracting the donors with a large scope of activities in the region (EU, UK’s DIFID, ...).

4. The AB understands that its mandate excludes central bank interests in the CEF which will be coordinated by the banks themselves. With regard to the other CEF activities supported by donor institutions, the AB agreed that its functions would include the following:

   i. Make periodic reviews of the effectiveness of their technical assistance contributions made through the CEF.
   ii. Identify areas of their training and capacity development activities which could be effectively carried out through the CEF.
   iii. Recommend strategies for consideration by the SB on the development of regional TA delivery capacity.
   iv. Review the CEF program to ensure its conformity with international standards and best practice.
   v. Assist the SB in designing CEF strategies and operations.
   vi. Foster better understanding and coordination of individual donor activities in the region.
   vii. Guide the SB in making the best use of special program initiatives and associated financing opportunities available to the region from the donor community.
   viii. Review requests from the SB for assistance and financing of the CEF.
   ix. Participate (the chairman) and report at the Annual SB meeting.
4. Mr Enrico van Exel has agreed, conditional upon the consent of the Ministry of Finance of the Netherlands, to serve as Chair for the coming year, with Mr Regis Chapman, US Department of Treasury as Alternate. The AB agreed upon the rotating chairmanship. The AB has agreed that a quorum of at least half of membership must approve any Report to the SB.

5. The AB emphasized the importance of the periodic assessment of training needs by Ministries of Finance in order to help determine the CEF priorities.

6. The AB emphasized the importance of a careful selection of the candidates for CEF courses to provide a real value added of the courses for the Ministries including potential lecturers for in-country training.

7. To maximize the use of CEF capacities the AB recommended inviting non-members to CEF courses if vacancies occur.

8. The AB emphasized the value of training materials which can be developed and made available for translation and use in member countries.

9. In order to support CEF program planning the members of the AB agreed to advise the CEF of their workshop sponsorship possibilities for the forthcoming year at least no later than the 4th quarter of the prior year.

**Program Matters**

10. The AB reviewed the CEF Report for 2002 and wishes to congratulate the Center through the SB for the success it has achieved in the first full year of operations.

11. The AB reviewed the 2003 Curriculum and Business Plan, noting the very full program of workshops already scheduled as well as the heavy workload involved in starting up the Capacity Building program in Public Accounting.

   During the meeting two workshops on internal control and audit and a workshop on fiscal decentralization were scheduled for the 4th quarter of 2003.

12. The AB emphasized the importance of Internal Control and Internal Audit and noted that training is difficult and complex. They endorsed the plan to repeat in 2004 the introductory workshops from 2003 and the intention to develop an extended series of events to expand knowledge and skills in these key areas of public management. The AB also expressed the opinion that the SB may wish to have a concise overview presentation on these subjects at its 2004 meeting.