5th Meeting of the Supervisory Board

AD agenda item 1

Report of the Advisory Board
On May 5, 2005 the advisory board of the CEF had its 3rd meeting. At the meeting of the AB, being the representative body of the CEF the following organizations participated: IMF, The World Bank, US Treasury Department and The Ministries of Slovenia and the Netherlands. Unfortunately OECD SIGMA was not able to attend.

As you may expect from an Advisory Board we discussed past and possible future developments with regard to the CEF's operations and we came up with a number of observations and recommendations.

Within less then four years the CEF has established itself a position as the organization for truly interregional and cross boarder cooperation between ministries of finance and central banks. Not only did the center train more then 15 hundred students from nine countries in this period but as a result of this we see all kinds of useful formal and informal contacts developing between participating ministries and central banks. The high turnover of staff of ministries and central banks remains a particular challenge though as almost all countries are affected by this phenomenon it might be useful to have an exchange of views among members of the supervisory board on ways to tackle this issue. The AB discussed the CEF 2004 programme and business plan for 2005. The AB notes that the CEF successfully implemented its program for 2004 and endorses the Business plan for 2005. The business plan 2005 sees the further shift in the mix of courses offered by the CEF from Short-term responsive courses to longer term programs. There is also a shift from the basic educational level to more advanced one. Although the Advisory Board welcomes these developments, the Center should be aware of the raising expectations this brings to the members in terms of outputs on the one hand and of additional challenges this puts on the management of the total operations on the other hand.

All this is the reflection of CEF’s response to cater to the changing educational needs in the region. The AB would like to give into the consideration the idea of organizing the short-term meetings for high level staff. (Director Generals etc.) This will foster the relations between the institutions at that level something that has already been going on at middle management level as said before. Contacts at this level will also enhance the understanding of new concepts, standards and practices in public finance management through the entire organization. The AB also took note of the Center's idea of playing a more prominent role in technical assistance in the region. The CEF has acquired a lot of very useful information and knowledge regarding demand and supply of expertise. This same expertise which is now being used for training purposes could also be used for technical assistance purposes. In this way the Center would become a kind of broker of technical assistance.

A continuing point of attention is that of the donor base. A sufficiently broad and divers donor base reduces the vulnerability of CEF’s operations, not only in financial terms but also in terms of lecturers support. Several suggestions for approaching new potential donors were made among others also the new EU member countries with a clear interest in the region. Regarding the stationing of a IMF regional resident advisor at the CEF the advisory board observed that in fact all parties involved directly and indirectly are in favor of this idea. Given certain time constraints a speedy decision about how to proceed further would be welcomed.

The AB further took note of CEFs plan to enhance the EU accession angle in its curriculum. Although the EU accession is not the magic factor which will solve all problems instantly it is of course a major incentive for carrying out important reforms. As such it is to be welcomed.
that this aspect will get a greater importance in CEF's programs in the current and coming years.

During the meeting the Ministry of finance of Slovenia brought up a possible enlargement of the CEF Management Board. The Advisory Board concluded that this would reflect the expanding of CEF operations.

And finally although it is not officially in its mandate the Advisory board would of course be very happy to see if the Supervisory Board would support reappointment of Mira Dobovišek for another mandate as director of the CEF.