Agenda

- Welcome Address  
  Andrej Bajuk, Minister of Finance

- Overview of the Day  
  Mira Dobovišek, Director, CEF

- Recent Progress and Future Challenges for SEE Countries in Reforming PFM  
  Eivind Tandberg, IMF Regional PFM Advisor

  Mira Dobovišek, Director, CEF  
  Živa Može, Coordinator, CEF

  Jana Repanšek, Deputy Director, CEF  
  Zdenka Vidovič, Senior Program Manager, CEF (Permanent Programs)  
  Jana Repanšek, Deputy Director, CEF (Introduction of a new course: Introduction to Central Banking)

- IMF Technical Assistance  
  Eivind Tandberg, IMF Regional PFM Adviser  
  Vincent Marie, IMF Regional GFS Adviser  
  Cor Gorter, Deputy Division Chief, Government finance Division, IMF Statistics Department

- PEM PAL Secretariat  
  Rob Taliercio, the World Bank

- Report of the Advisory Board

- Other Issues  
  - Conditions to admit private sector participants  
  - Information on the change of legal status of the CEF

- Signature of the Conclusions
Participants

Members

**Slovenia**
- Mr. Andrej Bajuk, Minister of Finance
- Mr. Janez Košak, Vice-Governor of the Bank of Slovenia

**Albania**
- Mr. Florjon Mima, Deputy Minister of Finance
- Mr. Genci Mamani, Chief of Cabinet of Bank of Albania

**BIH**
- Mr. Vedran Milisav, Coordinator of the Section of GFS at Central Bank of BiH

**Bulgaria**
- Ms. Miroslava Chakalova-Sidi, Head of Public Finance School, Ministry of Finance

**Croatia**
- Ms. Ivana Jakir-Bajo, Head of Budget Execution Department, Ministry of Finance
- Ms Nada Zrinušić, Head of Accounting Department, Ministry of Finance

**Macedonia**
- Mr. Martin Martinoski, Chief of Cabinet of Ministry of Finance
- Mr. Janče Lekovski, Secretary General of National Bank of Macedonia

**Montenegro**
- Mr. Nikola Vukičević, Deputy Minister of Finance
- Ms. Stanka Vizi, Head of HRM Department of Central Bank of Montenegro

**Romania**
- Ms. Cosmina Geabunea, General Director, Ministry of Economy and Finance

**Serbia**
- Ms. Ljubica Matić, Head of Department of Macroeconomic and Fiscal Analyses and Forecasting, Ministry of Finance
- Ms. Jelena Rančić, Assistant Minister for Macro-fiscal Department, Ministry of Finance

Members of the CEF Management Board

Mr. Andrej Kavčič, Ministry of Finance, Slovenia and President of CEF Management Board
Representatives of donors – Members of the Advisory Board

The Dutch Ministry of Finance
Mr. Luc Bool, Coordinator Technical Assistance

U.S. Treasury
Mr. Rich Bartholomew, Senior Advisor

IMF
Mr. Corneilus Gorter, Deputy Division Chief, Government Finance Division, Statistics Department
Mr. Eivind Tandberg, PFM Advisor for SEE
Mr. Vincent Marie, GFS Advisor for SEE
Ms. Mia Pavešić – Škerlep, IMF interpreter

The World Bank
Mr. Robert Taliercio, Sr. Economist

SIGMA OECD
Mr. Francois Roger Cazala, Senior Advisor

ReSPA OECD
Mr. Nicoals Dubois, Secretary of the Steering Committee

CIPFA
Ms. Caroline Rickaston, International Director

JVI
Mr. Clinton Shiells, Deputy Director

GTZ
Mr. Barbara Dutzler, Public Finance, Administrative Reforms and Decentralization

Embassy of the Kingdom of Norway
H.E. Mrs. May Britt Brofoss, Ambassador

Embassy of the Republic of Italy
H.E. Mr. Daniele Verga, Ambassador

Embassy of the Federal Republic of Germany
H.E. Mr. Hans-Joachim Goetz, Ambassador

Representatives of the CEF
Ms. Mira Dobovišek, Director
Ms. Jana Repanšek, Deputy Director
Ms. Zdenka Vidovič, Senior Project Manager
Ms. Živa Može, Coordinator
Ms. Nataša Zmrzljak, Assistant
Ms. Maja Tomšič, Assistant
Ms. Ivana Gašparac, Assistant
Ms. Ana Frangež, Project Manager
Ms. Metka Sedej, Coordinator
Ms. Bojana Crnadak, Project Assistant
Ms. Urška Zrinski, PEM PAL Secretariat
Mr. Andrej Kavar, Assistant
Minutes

The Supervisory Board meeting started with a minute of silence to pay tribute to victims of tragic accident on Sava river the day before, which was followed by Mr. Andrej Bajuk, Slovenian Minister of Finance opening speech.

Recent Progress and Future Challenges for SEE Countries in Reforming PFM

Mr. Eivind Tandberg, IMF presented public financial management reforms in South East Europe. Besides PFM achievements he highlighted remaining reform needs in the SEE countries. Some SEE countries are near to completing many basic PFM reforms, but there has been less progress in implementing advance PFM reforms. He invited members of SEE countries to check summary status of PFM reforms in IMF Working Paper and provide comments and suggest revisions by August 2008.


Ms. Mira Dobovišek presented continuing trend of growing of the CEF in 2007.

Short program: In 2007 the CEF organized 34 workshops and seminars, of which two were delivered as distance learning. 668 participants attended these events and 126 experts participated in delivering the program. In addition, the CEF, in close cooperation with the World Bank, held a very successful conference, “International Forum on Pension Reform: Exploring the Link to Labor and Financial Market Reforms” that attracted 140 participants and speakers. The conference was followed by a substantial research effort that will be published and disseminated in 2008.

Permanent programs: CBIPA project in Albania, Croatia and Slovenia successfully ended in December 2007 with 260 students obtaining certificates and 174 obtaining diplomas. Simultaneously the project in UNMIK/Kosovo, Macedonia, and Moldova started with selection of tutors and students.

TIAPS project in Slovenia successfully ended in October 2007 with 45 students obtaining certificates or diplomas. Expression of interest has been shown by Albania, UNMIK/Kosovo, and Moldova.

Financing: The CEF operations were financed:

- in cash
  - The MoF Slo: 0.48 mill EUR (plus 0.25 mill EUR for new investments);
  - Other donations: 0.2 mill EUR;
  - CBIPA and TIAPS in Slovenia: self-financed through participation fees (0.08 mill EUR);
  - TIAPS project - EU Transition Facility 2004 grant to the Slovenian Government (0.4 mill EUR 2006 and 2007) – not in CEF books.
- in kind (estimates)
  - Various donor partners sponsoring lecturers and materials 0.23 mill EUR;
Participants or their sponsoring institutions 0.56 mill EUR;
MoF Slo office and classroom space (rent in kind) 0.08 mill EUR;
CBIPA Project: Local coordination of the project and office support (80 thousand EUR per country).

Expenses (only expenses paid by the CEF) were the following:
- Purchases of materials and services 0.35 mill EUR
- Labor costs 0.37 mill EUR
- Depreciation and amortization 0.04 mill EUR

Members of the Supervisory Board adopted the following **CONCLUSION**:

**Ms. Živa Može** presented survey »Evaluating Benefits of the Participation at CEF Workshops in 2007«. The Responsive Program covered topics of budget, general topics, central banking, tax policy and administration, accounting and auditing, treasury and others. The survey was made on base of two evaluations. First evaluation—Exit Survey—was made immediately after each workshop or seminar, the second one—Post Evaluation—was made 6-12 months after the event. 22.7% of participants responded to the Post Evaluation survey.

Members of the Supervisory Board adopted the following **CONCLUSION**:
The Supervisory Board takes note of the evaluation of CEF workshops and seminars in 2007; CEF program continues to be relevant for member countries, the participants find it useful and of high quality.

**CEF Business Plan for 2008/2009**

**Ms. Jana Repanšek** presented CEF Business plan for 2008/2009. The CEF will offer 35 seminars and workshops and will organize an international forum on reforming health sector. In addition, a side event to IMF Annual Meeting will be organized together with IMF and the EU »The EU as a Macroeconomic Anchor and the Evolving Role of the IMF«. CBIPA project will be running in Macedonia, Moldova, and UNMIK/Kosovo. Three countries already expressed their interest in joining TIAPS project that will—if finances provided—start by end-2008. Also, the CEF will perform secretariat services for the WB project PEM PAL.

The CEF operations and programs will be financed (for 2008 calendar year) by:
- MoF of Slovenia 1 mill EUR + 0.094 mill EUR from deferred revenues;
- The World Bank 0.023 mill EUR to finance a joint research effort;
- The World Bank and US Treasury 0.072 mill EUR for PEM PAL secretariat;
- Various donors 0.2 mill EUR for CBIPA in UNMIK/Kosovo, Macedonia, and Moldova;
- Bank of Slovenia 0.015 mill EUR for training program for central banks;
- CBIPA and TIAPS in Slovenia (self-financed).

Members of the Supervisory Board adopted the following **CONCLUSION**:
Ms. Zdenka Vidović presented permanent programs CBIPA and TIAPS. She emphasized problems of the CBIPA program in Moldova, UNMIK/Kosovo and Macedonia:

- Insufficient knowledge of English;
- Unsatisfactory professional base;
- Weak participation at consultations;
- Low motivation for training–qualification not recognized in respective country (legislation);
- Weak management support;
- Students are not familiar with distance learning techniques and their discipline for learning is not strict enough;
- Students are not equipped with computers or have no access to the internet;
- No legal framework to support certification.

There are also risks that jeopardize success of such project:

- Poor quality of translation of learning materials – terminology problems;
- High percent of withdrawal from the training;
- Low number of students with certificate at the end and consecutively training results bellow expected;
- Delays in localization;
- Slow progress in developing accounting and internal auditing profession in a country;
- Insufficient financial support by donors in the future.

CEF shall strive to:

- Rise awareness of training needs and advantages of high professional staff;
- Introduce both programs in each CEF member country;
- Develop permanent programs for new areas, such as public procurement, accounting and auditing of EU funds etc;
- Expand permanent programs outside CEF region.

Director of CIPFA International, Ms. Caroline Rickaston expressed her support to strengthen cooperation with the CEF in implementation of permanent programs in the region and beyond. CIPFA brochures “Future Perfect – Responding to Global Challenges with Better Solutions” was distributed.

Members of the Supervisory Board adopted the following CONCLUSION:
The Supervisory Board approves the Permanent Program’s further regionalization and members are invited to provide expression of interest by end of 2008 for start of a project in 2009.

Ms. Jana Repanšek presented new workshop “Introduction to Central Banking” that will be delivered for the first time in November 2008. The workshop was developed by Max Watson, a Fellow of Wolfson College, Oxford, during his visiting fellowship at the CEF in spring 2008.

The goal of each session is to familiarize participants with key issues and operational policy challenges in the main areas of central banking, rather than aiming for a formal academic treatment of the topic. This workshop is primarily for central bank officials in the early years of their careers, relevant also for ministry of finance staff and financial supervision officials.
Members of the Supervisory Board adopted the following CONCLUSION: The Supervisory Board endorses the delivery of a new course “Introduction to Central Banking” in member countries; members are invited to provide expression of interest by end of August 2008 for delivery in school year 2008/2009.

IMF Technical Assistance

Mr. Eivind Tandberg, Mr. Vincent Marie and Mr. Cor Gorter presented the IMF technical assistance program for the region. Financing and current contracts of both IMF advisors (PFM and GFS) will end by September/October this year. EU Commission was approached to assure long term financing of the project (3 years) and it is expected that the funds might become available in 2009. In the interim, if financing is not available the project might be suspended. The IMF approached bilateral donors and is waiting for their response.

Members of CEF Supervisory Board meeting were asked to express their support and ownership of the IMF Technical Assistance project by sending a letter to the European Commission. The CEF and IMF will facilitate this by drafting the letter for this purpose. Members will send the letter of support to the EC as soon as possible.

Members of the Supervisory Board adopted the following CONCLUSION:

The Supervisory Board:
a) Supports the extension of IMF Regional Technical Assistance program for SEE region for additional three years subject to available financing and commits to provide support and assistance to the CEF and the IMF in fundraising.

PEM PAL Secretariat

Mr. Rob Taliercio introduced the World Bank PEM PAL project (Public Expenditure Management – Peer Assisted Learning). Three communities of practice are operating in the area of budget, treasury and internal audit. PEMPAL is now in the process of consolidating the existing communities of practice (COPs) by learning what works best and replicating that across the communities.

Opportunities:
- Expanded offer of professional interactions that members require;
- Development of new COPs;
- Implementing greater functionality and usage of website;
- CEF support.

Challenges:
- Financial sustainability;
- Political support for PEMPAL in member countries;
− Members’ assumption of leadership roles;
− Creation of enduring network opportunities for participants.

There are no official criteria for membership in PEM PAL, countries from the SEE region that are dealing with reforms and are keen to learn from others’ experience are invited to join. The interested country should express its interest.

Members of the Supervisory Board adopted the following CONCLUSION:

a) The SB acknowledges development of the project and its usefulness for the region;
b) The SB endorses the CEF and the World Bank in efforts to improve sustainability of memberships.

Report of the Advisory Board

Mr. Luc Bool presented a report of the Advisory Board (AB) that met the day before (July 3rd 2008) at the CEF. The AB discussed the CEF financial report and financial statements for 2007, business plan and budget for 2008, IMF TA project, and PEM PAL project. Specifically:

- The Advisory Board suggested donors’ contributions in kind to be presented in more realistic figures (reports by donors and not estimates). The CEF will contact donors when preparing the next annual report.
- Participants should be informed in advance about their obligation to respond to the post evaluation survey which shall help increase a respond rate and will make results more representative.
- The Advisory board nominated Luc Bool from the Dutch Ministry of Finance as the new Chair of the Advisory Board.

Members of the Supervisory Board adopted the following CONCLUSION:
The Supervisory Board takes note of the Advisory Board Report.

Other Issues

The members of the Supervisory Board discussed conditions to admit private sector participants at CEF events.

Due to the increased interest for the CEF programs by private sector organizations/consulting firms, CEF seek an advice whether to accommodate such requests. One of the possibilities would be for the CEF to charge a participation fee that will cover cost of their participation, revenues from which could be used to finance developing of new training programs. However, some donors might find this proposal difficult, since they provide expertise (speakers) for CEF events free of charge.

Members of the Supervisory Board adopted the following CONCLUSION:
The Supervisory Board takes note of possibility to admit private sector participants against payment (if room permits) and will carry out further decision at next Supervisory Board meeting.
The members of the Supervisory Board also discussed **possibility of changing legal status of the CEF**. The CEF postponed a decision due to additional research whether an established international institution might become a co-founder.

Members of the Supervisory Board adopted the following **CONCLUSION**: The Supervisory Board takes note on postponement of work on potential changes of legal status of the CEF and requests further info on development in this area at the next meeting.