



## **Minutes of the PEMPAL TCOP Executive Committee Meeting June 8, 2019**

A regular meeting of the PEMPAL TCOP Executive Committee (ExCom) took place on June 8, 2019 in Budapest (Hungary) following the 2019 Annual TCOP Plenary Meeting.

The meeting was attended by Angela Voronin (Chair, MoF, Moldova), Lyudmila Gurianova (Vice Chair, MoF, Belarus), Ilyas Tufan (Vice Chair, Ministry of Treasury and Finance, Turkey), Alexander Demidov (Federal Treasury, Russia), Nazim Gasimzade (MoF, Azerbaijan), Mimoza Pilkati (MoF, Albania), Levan Todua (MoF, Georgia), Zaifun Yernazarova (MoF, Kazakhstan), Elena Nikulina (PEMPAL Leader), Elena Slizhevskaya (TCOP Adviser, World Bank), Ekaterina Zaleeva (PEMPAL Secretariat, World Bank).

### **Summary of Discussion**

Ms. Voronin chaired the meeting of the Executive Committee.

#### **1. Overview of preliminary results of the TCOP thematic survey conducted during the Budapest plenary meeting**

Ms. Slizhevskaya presented an overview of the preliminary results of 2019 TCOP thematic survey which was conducted during the Budapest plenary meeting. The survey showed that three most popular topics of professional interest for participants proposed for discussion during the next plenary meeting were (i) treasury controls and risk management, (ii) public accounting and reporting, and (iii) evolution of the role and functions of the treasury. In this year's survey the areas of cash management and the use of IT in treasury operations got less votes, which can be attributable to several virtual and face-to-face events on these topics conducted in FY2019. Proposals from four countries were received throughout the survey to host 2020 TCOP plenary meeting (Albania (tbc), Kazakhstan, Kosovo and Russian Federation), as well as several proposals to host thematic group meetings<sup>1</sup>. Ms. Slizhevskaya noted that the detailed analyses of the responses will be shared with the leadership group prior to its next meeting.

#### **2. Discussions on the TCOP Action Plan for the FY 2020, including on events to be scheduled for July-December 2019**

The TCOP leadership reflected on the discussions during this plenary and agreed that treasury controls in most of the PEMPAL countries are undergoing serious transformation and the

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<sup>1</sup> Including proposals from Albania and Azerbaijan to host a meeting of the thematic group on the use of IT in treasury operations, from Russia and Turkey – to host cash management meeting, from Kazakhstan, Moldova, Russia and Turkey – to host a meeting of the group on evolution of the role and functions of the treasury, and from Kosovo and Russia – to host public accounting and reporting group meeting.

process is linked to evolution of the role and functions of the treasuries in the region. It was also discussed that treasury controls and risk management systems are part of this process, and therefore the ExCom agreed to center the 2020 TCOP plenary meeting agenda around these two important topics. Kazakhstan or Albania were agreed to be considered as potential hosting countries. Ms. Nikulina noted that Kazakhstan continues to be an expensive location for events and this option will only be possible under the high-case budget scenario, and the ExCom will revert to make its final decision at the end of CY2019 when there will be more clarity on the budget.

Ms. Nikulina reminded the TCOP leadership that under the low-case scenario the TCOP budget remains limited by USD250,000 for FY2020, with only small potential carry overs from FY2019, which limits the face-to-face meetings to one plenary meeting and one meeting of a thematic group. Under the high-case scenario after the fall meeting of a Steering Committee the budget could be increased up to USD 300,000 plus carry over which would allow to add another face-to-face meeting to the next year's action plan.

The participants agreed that a meeting of the public accounting and reporting thematic group could be scheduled for this fall under the low-case scenario. It was discussed that the new knowledge product on optimization of the unified chart of accounts (UCoA) design could be presented and discussed during the meeting, as well as discussion on centralization of the public accounting<sup>2</sup> organized. Mr. Demidov proposed to consider Russian Federation as a host for the meeting. It was agreed to organize a videoconference of the group this summer to progress preparations for the meeting.

The TCOP leadership agreed that a meeting of the cash management group could be organized in the early spring 2020 under the high-case scenario to address remaining demand for the topic. Mr. Todua suggested that experience of Netherlands in TSA management could be of interest to the group and agreed to consider presenting it under one of the videoconferences of the thematic group. Mr. Tufan volunteered to present the liquidity buffer methodologies during one of the videoconferences of the thematic group and the TCOP leadership welcomed the idea. It was agreed to schedule the videoconference of the cash management group for early fall 2019.

During discussion of the prospects for thematic group on the use of IT in treasury operations Mr. Demidov noted that nowadays the evolution of the treasury's functions is largely informed by new ICT available. Mr. Demidov proposed to involve the IT staff of the treasuries in participation in any thematic group meetings, as none of the treasury functions can be viewed or separated from IT support. The proposal gained support from the majority of the TCOP leaders (but subject to budget availability). Mr. Ilyas added about the need to have a broader look at IT in treasury operations by including the knowledge transfer management aspect.

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<sup>2</sup> 2019 TCOP thematic survey confirmed high interest in this topic among the member countries

### **3. Reflections on the main outcomes of the Budapest plenary meeting (what worked well and what could be improved in the future events)**

Most of the discussion on the main outcomes of the Budapest plenary meeting took place during the wrap up session of the plenary (and will be reflected in the event report). Additional observations and idea mentioned included the following:

- Mr. Demidov also suggested to pilot a combined approach to the TCOP meetings, when a face-to-face event would be complimented by remote connections for the rest of the interested TCOP members (this format is already used internally in the Federal Treasury). Mr. Yernazarova added by saying that similar approach is used in Kazakhstan as well, with recordings of the meetings available for participants. The TCOP leadership agreed to find an opportunity to pilot the approach while Ms. Pilkati commented that during face-to-face events the participants usually ask for more time for questions, and the combined approach will only amplify the challenge. Mr. Todua followed up by proposing to consider organizing a series of follow up videoconferences after the face-to-face meetings so that participants could clarify remaining issues, as needed.
- Ms. Nikulina commented that this time there were not many volunteers for the news session, which traditionally was very popular part of the agenda, and advised to reconsider the outreach approach.
- Ms. Voronin noted that there appears a need for more closer coordination of public sector accounting group with activities under PULSAR program.
- Ms. Yernazarova raised the question of how to better integrate the new participants of the meeting into the discussion. Ms. Nikulina reminded the TCOP leadership about the need to prepare an inception brochure as earlier agreed, so it could be circulated to the meeting participants in advance of the event and, if needed, include references to materials of the earlier events on a topic. Ms. Nikulina suggested that the resource team would come up with initial draft and will invite the TCOP leaders to comment and improve the content.
- Ms. Nikulina noted that the practice of inviting the TCOP members to moderate the event sessions proves a good approach and advised the TCOP leadership to continue it.

### **4. TCOP Executive Committee membership**

The TCOP ExCom discussed that no volunteers / candidates were identified during this event to join the TCOP leadership group and agreed to continue the search during the forthcoming meetings.

### **5. Preparations for July 10th, 2019 PEMPAL Steering Committee meeting.**

Ms. Nikulina informed the ExCom members that the next meeting of the PEMPAL Steering Committee is scheduled for July 10, 2019. Ms. Voronin and Mr. Tufan confirmed their availability to attend the meeting.

## **6. Miscellaneous**

Ms. Nikulina informed the TCOP leadership group of the forthcoming changes in the leadership of the PEMPAL program, with Mr. Arman Vatyan taking over the role of the Program Leader from Ms. Nikulina starting with July 2019. There will be no changes in the TCOP resource team during the next year, Ms. Nikulina and Mr. Silins will remain the core thematic team for the TCOP and Ms. Slizhevskaya will continue as the ExCom advisor.

### **Key Meeting Outcomes and Decisions**

- TCOP plenary meeting will be centered around the topics of the evolution of the role and functions of the treasuries as well as treasury controls and risk management. Kazakhstan or Albania are considered as potential hosting countries – to be confirmed by the end of CY2019;
- The low-case scenario of the TCOP for FY2020 will include a plenary meeting and one face-to-face meeting of the public sector accounting and reporting thematic group. The high-case scenario will additionally include one face-to-face meeting of the cash management thematic group.