



PROJECT FACTSHEET

Bosnia and Herzegovina January 2017

PUBLIC EXPENDITURE MANAGEMENT – PEER ASSISTED LEARNING (PEMPAL)

RATIONALE

The ECA region comprises a diverse group of countries that have suffered a major economic downturn in the early 1990s, moving from socialism toward market economies. Since then, governments have been undertaking macroeconomic stabilization and fiscal adjustments. As a result of the 2008 global financial turmoil, macroeconomic and financial stability risks have increased markedly and growth prospects have worsened. Thus, prudent public expenditure management with efficient and effective allocation of public services is crucial. Strengthening the quality of Public Financial Management (PFM) responds to the widely shared concern that many governments in transition countries are not spending their financial resources as effectively and transparently as they should, and that institutional controls on public expenditures are weak.

OBJECTIVES AND ACTIVITIES

The Public Expenditure Management Peer Assisted Learning (PEMPAL) initiative is a network of public finance practitioners in 23 ECA countries. It effectively provides professional development and peer learning opportunities, where members can benchmark their PFM systems through active participation in meetings, workshops and study tours, and through access to technical products and experts. The network is organized in three Communities of Practice (COPs) for budget, treasury and internal audit. Technical content is facilitated through donor supported resource teams (World Bank and OECD/SIGMA). The latest international stand-

ards and approaches are examined and experiences in reform implementation shared. The motivation for peer-assisted learning is based on the observation that knowledge is much more retained when it is learned from peers, as compared to traditional classroom settings.

PEMPAL OFFERS THREE MAJOR TYPES OF ACTIVITIES:

- First, ongoing activities, such as workshops, video conferences, report sharing, web-based exchanges (e.g. the Virtual Library to exchange documents), and other informal contacts to discuss a topic and to strengthen relations within the COPs and help officials receive real-time feedback from their peers.
- Secondly, study visits aimed at (i) examining how a specific aspect of the PFM system has been dealt with successfully in another country; (ii) exchanging ideas and lessons learned between the visitors and the hosts; and (iii) assisting the flow of information among the members of the PEMPAL community.
- Thirdly, plenary PEMPAL meetings that bring together all the participating countries and the donors of the program to discuss specific topics of general interest.

GOVERNANCE STRUCTURE

The PEMPAL program is governed by a Steering Committee composed of donor representatives, members of the COPs, the Secretariat and the Resource Team. The Steering Committee sets the strategic direction of the PEMPAL network; oversees the implementation of PEM-

PAL's objectives and mission; approves COPs action plans and budgets; and fulfils other tasks to ensure effective and sustainable functioning of the PEMPAL network. The Secretariat of PEM PAL is hosted by the World Bank.

RESULTS SO FAR

In the international community PEMPAL has gained a reputation for being a successful example of peer learning. It has several innovative features: PEMPAL represents a regional approach involving more than twenty countries in a shared effort to improve the management of public expenditures. Likewise, PEMPAL's success depends on demand-driven COPs in which officials from different countries but with similar responsibilities develop much of their own agenda and decide how best to share experiences among themselves using networking, face-to-face meetings and modern communication tools to connect the members (e.g. website, wiki.). Benchmarking is used as an important method of peer learning (e.g. PEFA assessments). Furthermore, there are three official languages in PEMPAL, and to overcome this barrier, PEMPAL has elaborated a glossary of terms to define the technical terms in each of the languages.

The program was evaluated in 2012. Results were extremely positive, showing that PEMPAL is a valuable network providing for peer-learning. The evaluation also found that member countries are taking responsibility for the COPs agendas and that individuals and member countries are learning from each other in ways that result in direct demonstrable impact on PFM systems.

HOW TO GET INVOLVED

Public finance officials may apply to the three COPs for budget, treasury and internal audit. In principle, two representatives per country may participate at COP events.

COUNTRY / REGION: Countries in the Europe and Central Asia (ECA) region (current members are: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyz Republic, Macedonia, Moldova, Montenegro, Romania, Russian Federation, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan; Czech Republic and Hungary are only members of IACOP)

PARTNER: Russian Federation, World Bank, OECD/Sigma

PROJECT DURATION: July 2012 - December 2017

TOTAL BUDGET: USD 10.5 million for 2012-2017

SECO CONTRIBUTION: CHF 5 million

FURTHER INFORMATION AND CONTACT DETAILS

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