



PERSPECTIVES FOR  
THE FUTURE

# SEMIANNUAL PROGRESS REPORT

October 1, 2017 - March 31, 2018

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**PULSAR REGIONAL PROGRAM  
SEMIANNUAL PROGRESS REPORT**

**Reporting period from  
October 1, 2017 to  
March 31, 2018**

Date of the report: March 31, 2018

# SUBTASK 1: RAISE AWARENESS OF REFORM RATIONALE

## Key Project Data

**Subtask title:** Subtask 1: Raising Awareness of Reform Rationale (P165094; TFA5779: parallel window)

**Duration of project:** September 15, 2017 - June 30, 2020

## Progress to date

### Component 1a – Stocktaking of PSA environment

The task team sought an academic partner for the delivery of the survey on Public Sector Accounting (PSA) environment of beneficiary countries to ensure a high-quality, academic approach. The comparative study should create a genuine baseline scenario against which progress can be evaluated wherefore wide-ranging analytical skills are required. At the moment, a cooperation is being negotiated with the Zurich University of Applied Sciences (ZHAW) that has a proven academic track record in the field of PSA and extensive experience collaborating with the Bank on various projects. Furthermore, ZHAW contributes to the work of the Technical Working Groups and is a member of the Technical Advisory Board of PULSAR. The cooperation envisages significant financial contributions of the academic partner who will in return receive rights to the data.

A questionnaire comprising questions on the accounting and training environment will be sent out to facilitate data collection which will serve as basis for the study. At the upcoming CoP meetings, each delegation will be asked to name one person responsible for soliciting inputs in their countries and complete the form to ensure a premium quality data set the academic partner will then analyze.

### Component 1b – Awareness raising events

The Ministerial Conference (MC) 2018 will be organized as a joint event of the PULSAR, EU-REPARIS and STAREP programs aiming at enhancing private and public sector financial reporting and aligning reporting frameworks with the EU *acquis* in the Western Balkans and the EU-Eastern Partnership countries. The overarching goal is to achieve maximum outreach as well as political and media attention. Therefore, the MC should thematically be configured in a way that is most appealing to the highest possible level of political representatives. To hold the event under the auspices of the Austrian EU Presidency and the patronage of the

Austrian Minister of Finance will amplify the success of the conference. From the perspective of participants, the EU context would underline the importance of the agenda and spur widespread interest.

Thematically, the aim is to highlight the political aspects of corporate and public financial reporting in relation to EU economic and financial integration and EU enlargement process. The project team drafted an outline for the MC titled “Economic Integration & High-Quality Financial Information. Opportunity for EU Neighborhood Policy” with which it will reach informally to potential panelists to ensure high-level participation.

### Component 1c – Knowledge creation and sharing

The PULSAR webpage is planned to serve as the central communication tool for PULSAR with a view to supporting the awareness raising activities of the program and will foster dialogue amongst experts, practitioners, policy makers and the broader public. In collaboration with task teams from Subtasks 2 and 3 a concept was drafted outlining the functionality needed. The three main features will be the Library, constituting the online repository of resources, the Learn & Share section, including a digital forum for CoP participants, and the PULSAR Newsletter. Following a joint decision by implementation team, the latter is planned to replace the envisaged blog as it will serve the same purpose but has more potential to maximize outreach. The newsletter will contain a news section and features editorial articles on PSA contributed by Bank internal staff, external experts or program members.

Internal clearance procedures necessary have been kicked-off and project team is in the process of evaluating whether the Bank’s IT team or an external vendor should be tasked with the creation of the webpage. Meanwhile, an interim webpage has been set-up as a subpage to the CFRR portal to ensure program visibility. The interim website promotes the events, features the newsletter, provides general information on the program including download of PULSAR brochure and makes available the learning materials of the CoPs. The online repository is steadily built-up and the content generated will be migrated to the new webpage.

Overall performance of Subtask 1 is on track.

## Conclusions/ lessons learned

N/A

## Next steps

The stocktaking exercise will be conducted and the data gathered from beneficiary countries over the course of the next four months. A summary of key findings can be expected by September.

Work on the sequencing of the MC will continue and the specific set-up as well as topics of other sessions and side-events will be defined. As soon as clarity is reached on which of the Austrian Ministers can host the events, a save-the-date will be sent out followed by official invitations.

The inaugural newsletter will be prepared to be sent out after the CoP meetings in April.

A final decision on the contractor for the creation of the website will be taken after internal approval processes are completed.

# SUBTASK 2: FINANCIAL REPORTING FRAMEWORKS

## Key Project Data

**Subtask title:** Subtask 2: Financial Reporting Frameworks (P165095; TFA5788: parallel window)

**Duration of project:** September 11, 2017 - June 30, 2020

## Progress to date

The Financial Reporting Frameworks Community of Practice (FINCOP) was established under Subtask 2: Financial Reporting Frameworks Activity of the PULSAR Regional Program. The FINCOP membership includes practitioners from MOF and Treasury of beneficiary countries in charge of PSA frameworks development. FINCOP's inaugural meeting was held at a workshop in Vienna on December 12-13, 2017. The workshop considered latest developments in International Public Sector Accounting Standards (IPSAS) as well as progress made towards the introduction of European Public Sector Accounting Standards (EPSAS). Further, participants discussed the PSA reform challenges their countries face, their key priorities as well as the factors that can lead to PSA reform failure. FINCOP participants reviewed available sources of information on PSA good practices and knowledge products including diagnostic toolkits and assessment frameworks, technical notes, good practice guides, and other publications.

Significant progress was achieved related to outputs as per the Results Framework, particularly: (i) FINCOP membership was finalized and priority topics were identified and ranked in order of importance by participants, and an initial indicative work program developed; (ii) FINCOP identified their preferences as to how these priorities should be delivered; (iii) FINCOP reviewed existing PSA knowledge products and good practices, and identified gaps which needed to be addressed - a prioritized list of knowledge products and good practice guides was prepared; and (iv) the format and speakers for the next event, to be held in the week of April 23, 2018 in Vienna was discussed and agreed. In addition, a core team of volunteers from FINCOP was established which is actively consulted on the next FINCOP activities including coverage and scope of the agenda for the FINCOP event in April.

Performance is on track and no unintended negative effects have affected project outcomes.

## Conclusions/ lessons learned

Participants appreciated the use of group work to stimulate discussions and the use of interactive formats for the face to face meetings. The frank and open discussions along with the detailed practical country experiences shared were also greatly valued. To further realize benefits of the program the participants expressed a need to invite speakers from Supreme Audit Institutions, Public Sector Internal Audit and Budget functions to share their experiences in FINCOP meetings. Further, it was suggested to engage speakers from countries with advanced accrual reporting, such as New Zealand, Australia, Austria and the UK for the more advanced topic of accrual budgeting and to enhance time allocated for networking opportunities. It was also suggested to share pre-course readings in advance to give participants more time to prepare. Those will be addressed with cost/benefit considerations.

To continue and reinforce learning outcomes and, based on feedback received from the participants, FINCOP meetings will continue to use groupwork and interactive sessions to reinforce learning. Prereading material will be shared with the participants in advance of face to face and virtual meetings.

## Next steps

FINCOP will be organizing its second meeting during the week of April 23-25, 2018 in Vienna, Austria. Agenda for the meeting and related administrative arrangements for the event have been finalized. During the workshop, participants will have the opportunity to share and learn from each other, and interact with international experts, with the objective of supporting government officials manage PSA reforms through gap analysis, developing reform strategies and roadmaps and implementing improvements in areas including legislation, standard setting, regulation and enforcement, and information technology. The main objectives of the workshop are to (i) explore similarities and differences between GFSM/ESA/SNA and IPSAS/EPSAS; (ii) learn good practices on sequencing (horizontal and vertical) of IPSAS implementation and roadmap development; (iii) share good practices and learn about IPSAS requirements for consolidation of financial statements at the entity and whole of government levels including scope and area of consolidation; (iv) learn developments in EPSAS project; and (v) agree on the next steps in FINCOP.



# SUBTASK 3: ACCOUNTING EDUCATION AND CAPACITY

## Key Project Data

**Subtask title:** Subtask 3: Accounting Education and Capacity (P165096; TFA5772: parallel window)

**Duration of project:** September 15, 2017 - June 30, 2020

## Progress to date

The Public Sector Accounting Education Community of Practice (EDUCOP) was established under Subtask 1: Accounting Education and Capacity Activity of the PULSAR Regional Program. The EDUCOP membership includes representatives from Ministries of Finance, universities, and Professional Accountancy Organizations of beneficiary countries involved in PSA education development. In several cases, these stakeholders have never before entered into a dialogue to collaborate and coordinate on the topic. EDUCOP's inaugural meeting was held at a workshop in Vienna on December 12-13, 2017. The group was given an overview of the various PSA frameworks and examples of education models applied globally. This included information on efforts within the European Union to develop common European university modules in PSA. The experience of Austria in establishing a Public Finance Academy and the example of the New Zealand model for collaboration between the public sector and private sector with respect to PSA further enhanced understandings of different approaches. Benchmarking of public sector accounting education, already completed in twelve of the thirteen participating countries, was also analyzed. This provided details of curriculum and syllabus content, and highlighted opportunities for introducing public sector financial reporting topics in many of the countries. Finally, the group learned about International Education Standards (IES) and provided input into the development of an Accrual Based Accounting Minimum Competency Framework for Public Sector Finance Professionals.

Significant progress has been achieved related to outputs as per the Results Framework, particularly: (i) EDUCOP membership was finalized and priority topics were identified to adapt activities to the defined needs of the group; (ii) benchmarking of PSA education was analyzed for strengths, weaknesses, constraints, and opportunities; (iii) an Accrual Based Accounting Minimum Competency Framework for Public Sector Finance Professionals was drafted (please see attached); (iv) a guide on Educational Pathways for the Public Sector based on IES has been prepared (please see attached); (v) a Good Practice Note highlighting examples identified in the benchmarking study is in the process of being drafted; (vi) the focus of the

next event, to be held in the week of April 23, 2018 in Vienna was discussed and agreed. In addition, several EDUCOP representatives committed to providing a more in-depth presentation of good practice examples from their respective countries at the next event in April.

Performance is on track and no unintended negative effects have affected project outcomes.

## **Conclusions/ lessons learned**

Participants appreciated the ability to interact with other PSA education stakeholders and MoF representatives and for many, the PULSAR event was the first time that they were brought together to discuss, collaborate, and coordinate on the topic. The frank and open discussions along with the detailed practical country experiences shared were greatly valued. Participants expressed an interest in looking deeper into good practice examples of other countries and this will be the focus of the next event in April. Another priority area included increasing cooperation between Governments, universities and PAOs. To address this, FINCOP and EDUCOP will continue to facilitate a plenary day and evening activities in which individuals may further interact. Additionally, the establishment of a PSA Educational Committee at country levels has been encouraged. Other priority topics include development of IPSAS knowledge, development of curriculum, materials, trainers, and certifications, and potential partners/resources. These topics will be covered in future events. Many representatives from government and universities were not familiar with IES. Therefore, in order to develop foundational knowledge in accounting education, knowledge of IES and related core competencies must be further developed.

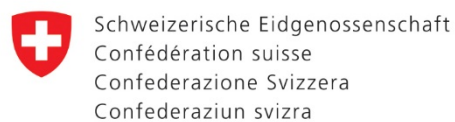
## **Next steps**

The EDUCOP has organized its second meeting during the week of April 23, 2018 in Vienna, Austria. The agenda for the meeting and related administrative arrangements for the event have been finalized. During the workshop, participants will further explore good practice examples in public sector accounting education focusing on tertiary education, certification programs, government finance academy programs, and on the job training. The second day of the event will be hosted by the Austrian Finance Academy during which Academy curricula will be presented and the group will tour the facility. Additionally, a representative from the Austrian Federal Accounting Agency will present learning, on the job training, and help desk attributes. The group will prepare country specific education pathways during the event based on IES guidelines and will finalize development of the Accrual Based Accounting Minimum Competency Framework for Public Sector Finance Professionals. Priorities of the group will be reconfirmed in preparation of the next event.

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