

**NEPAL MULTI-DONOR TRUST FUND
FOR
PUBLIC FINANCIAL MANAGEMENT
SUPPORT**



Quarterly Progress Report

October – December, 2012

FEBRUARY 11, 2013



THE WORLD BANK

Abbreviations and Acronyms

ASB	Accounting Standards Board
CECI	Centre for International Studies and Corporation
CSO	Civil Society Organization
DFID	UK-Department for International Development
DIME	Development Impact Evaluation Initiative
DP	Development Partner
EU	European Union
FCGO	Financial Comptroller General Office
GON	Government of Nepal
IDA	International Development Association
IFMIS	Integrated Financial Management Information System
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
MoFALD	Ministry of Federal Affairs and Local Development
MDTF	Multi-donor Trust Fund
MOE	Ministry of Education
MOF	Ministry of Finance
MOHP	Ministry of Health and Population
NFRS	Nepalese Financial Reporting Standards
NGO	Non Government Organization
NPC	National Planning Commission
NPSAS	Nepal Public Sector Accounting Standards
OAGN	Office of the Auditor General of Nepal
PCC	Program Coordination Committee
PEFA	Public Expenditure Financial Accountability
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PRAN	Program for Accountability in Nepal
SDC	Swiss Development Corporation
TSA	Treasury System of Accounts

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From the Program Manager's Desk

Dear Colleagues,

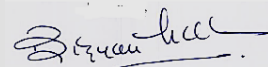
I am happy to report to you on the good progress that we have made in the implementation of the Multi-Donor Trust Fund (MDTF) work program during the past quarter. Public Financial Management (PFM) continues to be a core priority for the Government of Nepal (GoN) and its development partners and the MDTF supported initiatives are enabling GoN to strengthen PFM systems and processes. The leadership and coordination provided by the Ministry of Finance and the Public Expenditure Financial Accountability (PEFA) Secretariat as well as the continued support provided by the development partners has ensured that the critical priorities in this agenda are now being addressed.

The Program Management team and the individual task teams are providing intensive implementation support to all the subprojects approved by the MDTF. This has resulted in significant progress in project activities as well as an increase in the disbursement of budgeted funds during the quarter. However implementation risks arising from the fragile political environment and weak capacities within GoN continue to remain. The completion of the Operational Risk Assessment in PFM is expected to inform us better on the possible options to understand and address potential risks to the MDTF work program and achievement of results. I also expect that the program of future activities to be considered for MDTF support within the next two years will be finalized within the next quarter.

I would like to express our sincere appreciation for the guidance and leadership provided by the former PEFA Secretariat Coordinator, Mr. Mahesh Dahal, who has recently moved to the Ministry of Finance. We look forward to continuing our strong collaboration with the new leadership of the PEFA Secretariat, Mr. Suresh Pradhan.

On behalf of the MDTF Program Management, I would like to sincerely thank all our development partners including the potential partners for their continued support and guidance in the management of the MDTF work program. Sincere thanks are due to Tahseen Sayed (Country Manager, Nepal) and Jennifer Thomson (Manager, Financial Management, South Asia) from the World Bank for their continued guidance and support to the MDTF Team. Last but not the least; I would like to thank all Task Leaders of various sub-projects and the entire MDTF team for their tireless efforts to move this agenda forward.

With warm regards,



Bigyan Pradhan

Overview

This report provides an overview of the work program of the Nepal Multi-donor Trust Fund for Public Financial Management during the October-December quarter of 2012. The report highlights the operational and financial progress achieved during the quarter on various subprojects supported by the MDTF. It also provides a snapshot of the financial position of the MDTF including progress on disbursement of the approved budget for the various subprojects.

The MDTF for PFM aims to support the GoN's strategy for strengthening governance, optimizing outputs from public resources and for ensuring inclusive and broad-based development. Implementation progress of all MDTF financed activities showed a significant improvement during the quarter as a result of the completion of major procurements in sub-projects and the focused implementation support provided by the various task teams. Throughout the quarter, we saw changes in key personnel, both on the Government and the Program Management teams. It is expected that the impact of these changes on the Program will be minimal as effective succession arrangements have been put in place. The quarter also saw an improvement in the disbursement of budgeted funds as a result of the improved pace of implementation.

The report is organized into three parts: Part One provides an update on the implementation progress of the activities currently supported by the MDTF and is organized under the various components of the MDTF; Part Two provides a brief account and analysis of the financial position of the MDTF and the disbursement performance of the various projects/activities of the MDTF, and Part Three provides an update on the various events of relevance to the MDTF Program.

Part One

Progress Report

Component One: Strengthening Public Financial Management Systems and Capacities

Sub-Project: Strengthening Public Financial Management (PFM) Systems (Treasury System, Financial Reporting and PFM Capacity Building) (Approved Total Budget US\$ 5.15 million)

The implementation of the project showed considerable progress during the past quarter. Key events/results achieved during the quarter are:

- Letters of acceptance for contracts for fibre optic connections in the districts issued
- An Expert IT consultant has been selected and has joined
- The new Chairman of the Accounting Standards Board has been appointed
- Nepal Public Sector Accounting Standards (NPSAS) has been translated into Nepali.

The rollout of the Treasury Single Account (TSA) system is progressing well in 60 districts. During the past quarter, the focus of the implementing team was to consolidate the rollout process, drawing lessons from the experience gained from the Kathmandu rollout. The TSA now covers about 95% of government expenditures and about 98% of the government revenues, and provides a good base for piloting new financial reports which will provide meaningful information to various stakeholders and aid in decision making. As part of the work program, a proposal for enhancing the IT infrastructure for the TSA system is under preparation.

During the quarter, a new Chairman for the Accounting Standards Board (ASB) has been appointed (Mr. Narayan Bajaj). The work plan of the ASB to devise and issue Nepal Financial Reporting Standards (NFRSs) is being revised to accommodate the revised road map for IFRS implementation in Nepal, as agreed to by the Institute of Chartered Accountants of Nepal (ICAN) with the International Federation of Accountants (IFAC). Though work has not progressed much on the rollout of IPSAS to the two pilot ministries, it is expected that this will gather momentum within this fiscal year as the key activity which supports the rollout, i.e. translation of Nepal Public Sector Accounting Standards (NPSAS) is now complete. The PEFA Secretariat has been raising awareness on PFM at local and district levels as part of its efforts for enhanced communication.

The PEFA Secretariat Coordinator, which had fallen vacant for some time after the transfer of the former Coordinator Mr. Mahesh Dahal, has now been filled. Mr. Suresh Pradhan, Joint Financial Comptroller General, who has substantive experience in FCGO and TSA rollout, has now been appointed as the PEFA Secretariat Coordinator. Procurement processes have been initiated for hiring a national level PFM Advisor. Steps have also been initiated for upgrading the web-site of the PEFA Secretariat.

The next project implementation support mission is scheduled for January 30 to February 5, 2013 which will help accelerate implementation of the various activities and address challenges that have arisen especially in components 2 and 3 of the project. Cumulative disbursements to-date total US\$ 1.45 million (28% disbursed) out of the approved budget of US\$ 5.15 million (Refer table 2).

Component Two: Enhancing Accountability in Public Financial Management

Sub-Project: Strengthening the Office of the Auditor General (OAG) of Nepal (Approved Total Budget US\$ 2.46 million)

Following the completion of the procurement process for hiring the consulting firm to support the OAG and the award of the contract to M/s Cowater during the last quarter, the consultants mobilized their team during this quarter and submitted an initial draft of the inception report and

detailed work plan on December 18, 2012. A revised inception report and detailed work plan incorporating the comments of the OAG, the World Bank and Supreme Audit Institute (SAI) Norway is to be discussed and agreed by the OAG Project Steering Committee meeting in the first quarter of 2013.

The first implementation support mission for the project was carried out from November 28-30, 2012 to coincide with the inception mission of the consultants. The mission was led by Les Kojima, Task Team Leader and included Lise Margrethe Styrk Hansen (Assistant Auditor General) from the Office of the Auditor General of Norway. Implementation Progress was being adversely affected by the fact that there was no approved budget allocation or a specific budget head for the project in the National Budget. This issue was fully addressed in January with the creation of a dedicated budget head by the MoF and part of the FY13 budget being provided to the project.

The delay in the appointment of the Auditor General as well as the absence of the Public Accounts Committee continues to impact the impact and effectiveness of the project. However, the task team is pursuing a strategy of working at the technical level with the Acting Auditor General and the staff of the Office of the Auditor General to look for alternatives that may be possible to implement (such as ad-hoc PACs which have been used in other countries at times of parliamentary difficulties). The team will continue to monitor the situation and if positive changes are not seen on these exogenous factors, a restructuring of the project might be considered and initiated at the time of the next implementation support mission (in May 2013) to revise component 3 activities.

As of December 31, 2012, US\$ 0.42 million (17%) of the US\$ 2.46 million of the approved budget for the project has been disbursed (Refer table 2). With mobilization of consultants and the initiation of key activities, disbursement now is expected to increase in the next two quarters.

Sub-Project : Strengthening CSOs Use of Social Accountability to Improve PFM in Nepal (Approved Total Budget US\$ 1.5 million)

The on-going program on social accountability executed by the Program for Accountability in Nepal (PRAN) is implementing this project. PRAN has contracted three NGOs, viz. Pro Public, SAP Nepal and Total Management Services to implement various activities under the Bank-executed component of the project. PRAN also entered into agreement with CECI, which is functioning as the Recipient of the MDTF fund allocation for the program.

Building on the experience and results of the PRAN, with four Nepali Community Service Organizations (CSOs) as partners, this project also uses the same structure for implementation. Work is proceeding in 10 districts within three development regions, with requests to CSOs in these districts to make proposals for four 'large' and 30 'small' grants for PFM reform work at the Village Development Committee (VDC) level, and by selecting winning proposals competitively based on clear criteria publicly announced. PRAN has, with its partners, prepared a flow chart which clarifies which tools will be used in the project, and how these tools are synchronized to the GoN budget cycle. A Memorandum of Understanding between PRAN and the PEFA secretariat clarifying how both parties will help each other has been signed to more strongly link the supply and demand sides of PFM.

Progress on key project activities includes:

Training: Together with Pro-Public the following activities have been carried out:

1. Identified 169 CSOs and 9 media persons for 2 day orientation sessions on social accountability, 178 CSOs took part in a training needs assessment.

2. Carried out four Social Accountability Schools in three development regions (Far West, Mid-West, and West) with participation by 98 CSOs, 12 Government officials, 8 media representatives. Trainees were drawn from the list of CSOs identified, the PEFA Secretariat, and the Public Procurement Management Office

Grant Making: Together with CECI the following activities have been carried out:

1. Clarified the requirements for CSOs to manage PFM reform grants at the national level, and put out the call for proposals. The responses to this call are now being evaluated.
2. Clarified the requirements for CSO to manage PFM reform grants at the local level (10 districts), and put out the proposal. The responses to these are now being evaluated.

Knowledge Management and Networking: Together with SAP Nepal the following has been progressed:

1. Made visits to nine districts (the 10th was unapproachable because of bad weather) to form PFM networks from CSOs trained by Pro Public, plus some others suggested by these CSOs
2. Held exhibitions on PFM and what CSOs can do help reform PFM in two Fairs managed by the Federation of Nepalese Chamber of Commerce and Industry in two Regions (West and Far West) – the next Fair (in Mid-West) is to be held in February 2013
3. Distributed the book “Our Money, Our responsibility” in Nepali and leaflets on PFM in Nepali to stakeholders in 1 and 2 above.

As of 31 December 2012, a total of US\$ 0.10 million (7%) has disbursed out of the approved budget of US\$ 1.50 million (Refer table 2).

Component Three: Deepening Knowledge related to PEFA

Sub-project : Public Expenditure Tracking Survey (PETS) in the Education Sector (US\$ 150,000)

Implementation of the PETS is progressing well with the consultants, M/s New ERA Pvt Ltd, Kathmandu, completing the field work in 440 schools in twenty districts. The data entry work related to the survey findings is expected to be completed in February and the draft report to be ready by March 2013. The task team is planning to finalize the report and share the findings both with the GoN and the development partners by April 2013. Though there have been no disbursements for this activity so far the task team expects to utilize the entire approved PFM MDTF allocated budget by June 30, 2013 for completion of the activity.

During the past quarter, there was a change in the task team leadership with Mr. Venkatesh Sundarraman (“Venki”) moving take up another assignment. Mr. Uddhav Bhandari, who has been working with Venki on this task, has taken over the task team leadership.

Sub-project: Operational Risk Assessment of PFM reform in Nepal (US\$ 200,000)

The Operational Risk Assessment (ORA) of PFM systems in Nepal got off to a good start during the quarter with the consultants from the Overseas Development Institute (ODI), London fielding their first mission from September 24 to October 5, 2012. As part of their TORs, the team is required to identify areas of highest operational risks, recommend short and long-term measures to address

them and develop a politically feasible sequence of reforms. The scope of work includes an overview of Nepal's PFM systems and in-depth analysis of central finance institutions, reform priorities, and donors' response to reform needs.

During the first mission, the consultants interacted with a wide range of stakeholders, including politicians, civil servants, and civil society representatives. They also familiarized themselves with policies and processes related to PFM systems. Draft reports are currently being finalized.

A follow-up mission is planned from January 30 to February 15, 2013. During this mission, the ODI and Bank teams will focus on interacting with interlocutors at the technical level. Roads and Health sectors have been identified for more in-depth assessment of PFM issues. Apart from focused discussions on these sectors, the teams will also interact with donors on PFM priorities, processes, and delivery instruments. Another major activity during the mission will be a visit to selected districts to gain a better understanding of PFM issues from a local perspective.

The team plans to produce its draft report by March 2013 and then seek comments from stakeholders, including government officials and donors. The final report is due to be finalized in April 2013, following which there will be dissemination and publication of the report.

Component Four: Program Management and Administration

The Program Management team continued to provide strong support to the MDTF work program during the past quarter. Along with day-to-day administration of the Program and support to the task teams managing the various subprojects, the Program Management team's critical focus was on taking forward the work initiated in the previous quarter on formulating the strategic forward looking work program of the PFM MDTF, as well as in strengthening the results focus of the work program through the preparing a Results Framework for the Program. Steps also were taken to strengthen the Program Management by recruiting additional staff.

Report on Future Work Program: A draft report on the future PFM MDTF was circulated among the donor partners and the PEFA Secretariat for comments and suggestions in November 2012. The draft report also was presented during the PFM MDTF Program Coordination Committee (PCC) Meeting on December 10, 2012. Following the receipt of feedback on the draft report, a revised version of the future work program is being prepared and a second round of consultations will be conducted during January 2013 and finalization of the work program is expected to be completed within the next quarter.

Program Results Framework: A first draft of the Program Results Framework was prepared during the quarter and circulated among the donor partners and the PEFA Secretariat as well as presented at the December 2012 PCC meeting. In January 2013, a mission will be organized to finalize the results indicators in consultation with the donor partners and the PEFA Secretariat. During the mission the MDTF Program Management plans to organize training on the operation of the Results Framework for the various sub-project task teams as well as the PEFA Secretariat. The Results Framework is expected to be finalized by March 2013.

Donor Coordination: The Program Management team has actively pursued information exchange and coordination among all development partners working in the area of PFM. During the quarter steps were taken to provide advance information to donor partners on the missions relating to PFM and the



MDTF and to facilitate consultations and meetings. The Program Management team organized the PFM Thematic Donor Group meeting on December 20, 2012 at the World Bank Office at which the USAID team, led by its mission director, Mr. David Atteberry, briefed the group on the PFM risk assessment in the health sector that was recently commissioned by USAID as part of its strategy to align its work program with the country systems. Deloitte & Touche, who conducted the risk assessment on behalf of USAID, presented their findings to the group.

Program Coordination Committee Meeting, December 10, 2012

The Program Management Team organized the meeting of the Program Coordination Committee (PCC) of the MDTF on December 10, 2012. The meeting was chaired by Jennifer Thomson, Manager Financial Management, South Asia Region of the World Bank and was attended by representatives from the Government of Nepal as well as from the MDTF donor partners together with two prospective MDF donor partners – European Union (EU) and Swiss Development Corporation (SDC).



Key decisions taken at the meeting were:

- The MDTF team, after further consultation with the Government, will advance the preparation of the future work program by preparing a list of potential projects/activities within the Work Program Framework that has been developed. The draft work program will be circulated to the Development Partners for virtual review and agreement and will form the basis for agreement on individual activities that are presented for funding by the MDTF (the aim being to retain the flexibility and responsiveness to the MDTF to emerging priorities and ability to respond to opportunities and challenges that the current political and administrative environment of Nepal present for enhancing the robustness of PFM and its future development).
- A proposal and concept note for a proposed project on strengthening upstream budgeting processes – a critical element of the PFM cycle - will be prepared and circulated in the next quarter for virtual review and decision by the MDTF.
- MDTF partners will provide feedback to the Program Manager on the timing of the Mid-Term review and comments on the draft TOR by mid-January 2013

Strengthening Program Management and Administration: As part of strengthening Program Management, staffing of the MDTF Program Secretariat has been strengthened. Ms. Pragya Shrestha has been recruited as Operations Analyst with the following key responsibilities:

- Supporting the MDTF Program Management in the monitoring of work program the implementation.
- Supporting the MDTF Program management in donor coordination and communication.

The Program Management team is finalizing revisions of the Program Operations Manual and plans to share the finalized version in the next quarter. In addition, plans are on for a website for the Program as well as hiring the services of a consultant to enhance communication of Program achievements and results.

Changes in Task Team Leadership: Richard Holloway, who was co-task team leader for the “Strengthening CSOs Use of Social Accountability to Improve PFM in Nepal” subproject has recently left the World Bank. Mr. Keith Leslie will be taking over from Richard in early January.

Venkatesh Sundararaman (“Venki”) has taken up an assignment at the Lima (Peru) office of the World Bank. Uddhav Bhandari has taken over the task team leadership of the education PETS currently under implementation with MDTF support.

Welcome



Pragya Shrestha joined the MDTF Program Management team as an Operations Analyst supporting the Nepal MDTF program on November 12, 2012. Prior to accepting this position, Pragya worked with the World Bank as a short-term consultant and with various UN Agencies (UNICEF, UNIFEM, UN-Habitat and UNFPA) and INGOs, both in Nepal as well as internationally. Pragya holds a Master’s Degree in Public Policy from the University of Chicago (2010) and a Bachelors’ Degree in Sociology and Global Studies from Randolph College (2008).



Keith D. Leslie is joining us as the new Coordinator for the Program on Accountability in Nepal (PRAN). He graduated from Amherst College with a BA in Philosophy (1976) and earned a MA from the Fielding Graduate University, Santa Barbara, CA, in Organizational Management (2005). He has served as Country Director, Nepal as well as Asia Regional Director, covering South Asia and Southeast Asia and the SC Himalayan Country Director (Nepal and Bhutan) for Save the Children. He has served as the UNDP Deputy International Project Manager and Senior Advisor on Civil Society Outreach and Social Inclusion for the Support to Participatory Constitution Building in Nepal (SPCBN) project from October 2008 until December 2011.

Part Two

Financial Report

Highlights of the Quarter:

- **Total disbursements and commitments currently at 26% of total budget.**
- **48% increase in actual disbursements in the current financial year compared to previous year.**
- **76% of the pledged contributions realized.**

Summary Financial Report: The quarter started with an opening balance of US\$ 7.09 million. During the quarter there was an outflow of US\$ 0.50 million towards disbursements for the various subprojects and investment income of US\$ 7,475 was realized. Program Management costs during the quarter amounted to US\$ 28,705. The closing balance at the end of the quarter was US\$ 6.60 million.

Receipts and Disbursement of Program Funds: Cumulative disbursement of Program funds allocated to individual sub projects stood at US\$ 1.76 million as on October 1, 2012. During the quarter, there was a disbursement of US\$ 0.50 million resulting in an aggregate actual disbursement of US\$ 2.26 million as on December 31, 2012. After including funds that are already committed, the aggregate disbursement amounts to US\$ 2.66 million (26% of total the total budget) (Please see Table 2 for details). The increase in disbursements during the quarter was due to the increased pace of implementation for all the approved subprojects. This positive trend in disbursement is expected to continue in the next two quarters as the pace of implementation is expected to increase. As shown in Table 4, it is expected that a total amount of US\$ 2.07 million will be disbursed during the next two quarters thereby projecting an overall disbursement ratio of 49% of approved total Program budget by June 30, 2013.

Regarding receipts of pledges from donor partners, US\$ 8.80 million was received till date thereby resulting in the realization of 76% of donor pledges. It is expected that equivalent US\$ 2.72 million will be realized (Refer Table 3) within the next two quarters.

Quarterly Financial Report (October 01 - December 31, 2012)	
Description	Amount in US\$
Sources of Funds-	
Opening balance as at Oct 01, 2012	7,098,049.51
Donor Receipts during the quarter	-
Investment Income*	7,475.00
Total Sources of Funds (A)	7,105,524.51
Uses of Funds-	
Strengthening PFM Systems (TSA)	30,532.55
Strengthening OAG	371,768.57
Strengthening CSOs' use of SA	69,018.56
Operational Risk Assessment of PFM reform in Nepal	105.75
NP ED PETS	-
Program Management and Administration Costs	28,705.18
TF Administration Fee charged during the Qtr**	-
Total Uses of Funds (B)	500,130.61
Closing Fund Balance (A-B)	6,605,393.90
Note:	
* This relates to income generated from the MDTF Contributions and credited to this program.	
** 2% fee charged by the World Bank on donor contributions paid in for costs of administration and other expenses under the TF Agreement.	

Disbursement Profile of Activities supported by the MDTF									
S. No.	Activity Name	Total Budget (US\$)*	Cumulative Disbursement Up to Sep 30, 2012 (US\$)	Disbursement in this Quarter (US\$)	Total Disbursement (US\$)	Disbursement % against Total Budget	Commitments (US\$)	Commitments+ Total Actual Disbursement (US\$)	Total Actual Disbursement+ Commitment % against Total Budget
1	Strengthening PFM Systems (TSA)	5,150,000.00	1,423,445.02	30,532.55	1,453,977.57	28%	52,216.23	1,506,193.80	29%
2	Strengthening OAG	2,460,000.00	46,470.10	371,768.57	418,238.67	17%	-	418,238.67	17%
3	Strengthening CSOs' use of SA	1,500,000.00	35,026.37	69,018.56	104,044.93	7%	165,399.73	269,444.66	18%
4	Operational Risk Assessment of PFM reform in Nepal	200,000.00	19,987.80	105.75	20,093.55	10%	179,890.20	199,983.75	100%
5	NP ED PETS	150,000.00	-	-	-	0%	-	-	0%
6	Program Management and Administration Costs**	490,000.00	57,223.31	28,705.18	85,928.49	18%	10,350.00	96,278.49	20%
7	TF Administration Fee***	230,000.00	175,980.59	-	175,980.59	77%	-	175,980.59	77%
	Total	10,180,000.00	1,758,133.19	500,130.61	2,258,263.80	22%	407,856.16	2,666,119.96	26%
Note:									
* Total budget includes both the Recipient Executed and Bank Executed portions of each activity									
** 4% of the total contributions pledged by donors									
***2% of the contributions paid in by donor partners and used for costs of trust fund administration by the World Bank									

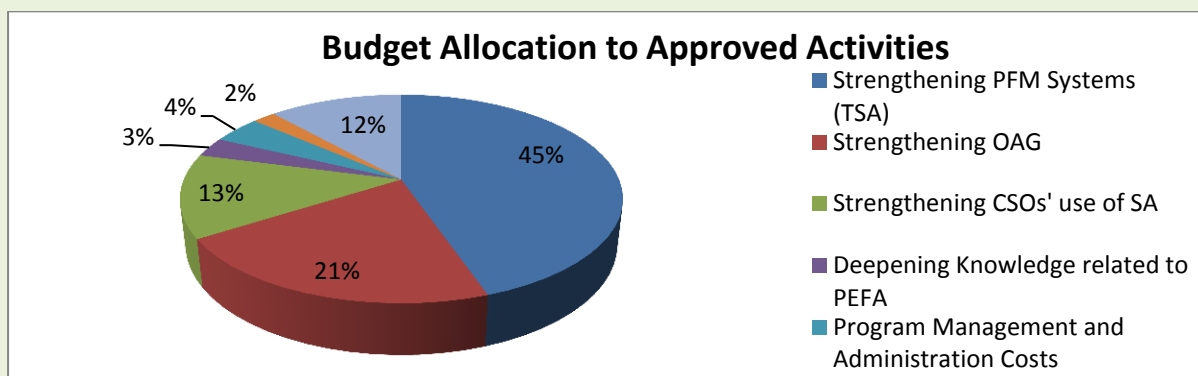


Table 3

Donor Contribution Report

Donor Name	Pledged Amount		Receipts as on Dec 31, 2012		Balance*	
DFID	GBP 3.5 m	Eqv. US\$ 5.52 m	GBP 2.6 m	US\$ 4.09 m	GBP 0.9 m	Eqv. US\$ 1.43 m
Norway	NOK 15 m	Eqv. US\$ 2.63 m	NOK 11 m	US\$ 1.92 m	NOK 4 m	Eqv. US\$ 0.71 m
Denmark	DKK 2 m	Eqv. US\$ 0.38 m	DKK 2 m	US\$ 0.38 m	-	-
AusAID	AUD 2.85 m	Eqv. US\$ 2.99 m	AUD 2.3 m	US\$ 2.41 m	AUD 0.55 m	Eqv. US\$ 0.58 m

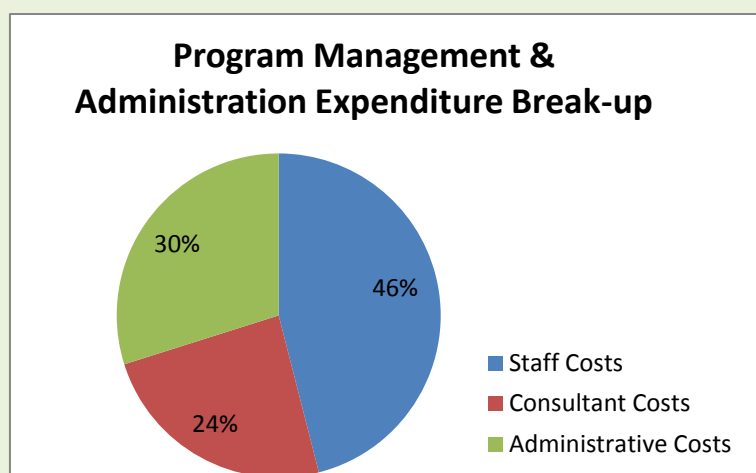
Note:
* Pledged contributions to be realized

Table 4

Projected Receipts and Disbursements for the next two Quarters of FY 2013 (Jan 01, 2013 - June 30, 2013)

Description	Amount in US\$	Description	Amount in US\$
Opening Balance as on Jan 1 2013	6,605,393.90		
Expected Receipt of Funds- Donor Contributions*		Expected Disbursement of Funds-	
DFID	1,430,000.00	Strengthening PFM Systems (TSA)	385,000.00
AusAid	580,000.00	Strengthening OAG	257,000.00
Norway	710,000.00	Strengthening CSOs' use of SA	947,000.00
		Operational Risk Assessment of PFM reform in Nepal	180,000.00
		NP ED PETS	150,000.00
		Program Management and Administration Costs	100,000.00
		TF Administration Fee	55,000.00
Sub-Total of Expected Receipts of Funds	2,720,000.00	Sub-Total of Expected Disbs of Funds	2,074,000.00
		Closing Balance as on June 30,2013	7,251,393.90
Total	9,325,393.90	Total	9,325,393.90

Note:
* Expected Donor contributions in equivalent US\$.



Part Three

News and Events

Notice Board

- Mr. Narendra Dahal appointed as the new Financial Comptroller General by the Government of Nepal.
- Mr. Suresh Pradhan appointed as the new PEFA Coordinator, in place of Mr. Mahesh Dahal who was transferred to the Ministry of Finance.
- Ms. Anouk Rutter, the EU representative for MDTF PFM left Nepal and has joined DFID in Zambia.
- Jennifer K Thomson, Sector Manager for World Bank South Asia Region appointed as the Chief Financial Management Officer of the World Bank effective February 1, 2013.
- Venkatesh Sundararaman, Senior Education Specialist, World Bank moved to World Bank Peru Office.
- Pragya Shrestha joined the MDTF Program Management team as Operations Analyst.
- PRAN Coordinator Richard Holloway succeeded by Keith Leslie following his completion of his assignment.

Events Diary

- The fifth PFM MDTF Program Coordination Committee (PCC) meeting took place on December 10, 2012. The next meeting of the PCC will be held in June, 2013.
- The PFM MDTF thematic group meeting was held in December 20, 2012. This meeting was co-chaired by the World Bank) and DFID. The next meeting of the thematic group will be held on January 29, 2013.
- DFID has taken over as the co-chair of the PFM Thematic Group from the EU. Mr. Matt Gordon from DFID will co-chair the Group along with Mr. Bigyan Pradhan of the World Bank.
- The first Implementation Support Mission of Strengthening the Office of the Auditor General Project took place during November 28-30, 2012.
- Future Work Programming Consultative Mission, January 21-30, 2013.
- MDTF Results Framework Consultative Mission, January 23-31, 2013.
- Implementation Support Mission for Strengthening PFM Project, January 30 to February 5, 2013.
- Operational Risk Assessment Mission, January 30 to February 15, 2013.
- Implementation Support Mission for Strengthening CSOs for PFM, January 29-31, 2013.