

Technical Review Meeting
Nepal Public Financial Management
Multi Donor Trust Fund
Wednesday, July 8, 2015 at WB Office
Meeting minutes

1. The meeting was chaired by Manoj Jain, Program Manager for Nepal MDTF PFM who was connected through VC in Delhi office. Manoj opened up the meeting welcoming all participants (List Attached) to the fourth technical review meeting. Representatives from EU, DFID, Australia DFAT, Government of the Swiss Confederation, USAID, Embassy of Denmark and Norway and the World Bank were present.
2. Manoj introduced Akmal Minallah, the new Task Leader for Strengthening the Office of the Auditor General Project who was connected through audio. The Task Leader for the demand side project, Luiza Nora, was connected by VC in Washington, and Keith Lesley, PRAN Coordinator, was connected thru audio in Spain.
3. Manoj informed that he along with Akmal will be in Kathmandu in the week of July 13th to participate in the supervision of Strengthening OAG Project when he will also formally introduce Akmal as a new Task Leader to officials of the Office of the Auditor General (OAG).
4. Manoj informed that the interview of the candidates who applied for the position of Program Manager is being undertaken and a decision will be taken soon in line with the HR processes of the World Bank. Laura Leyser, DFID, is helping support this process. He said that the new Program Manager is expected to be on board in next couple of months.
5. **Brief Highlights of MDTF** : Manoj highlighted the latest achievements of MDTF. Despite some processing and administrative challenges, the MDTF has been extended to January 2018. SOAGP and the ongoing SPFM I project have been restructured and extended to June 30 2016, and the follow on project to SPFM I is currently being processed as a new project (SPFM II). It was initially supposed to be processed as an additional financing but the team was advised to process it as a standalone project due to the recent bank guidelines on trust funds (small RETF guidelines). The PEFA II report has been finalized, printed and disseminated. The report was formally launched by the Finance Minister Dr. Ram Sharan Mahat on June 19, 2015 in an official ceremony organized by the PEFA Secretariat.

6. **Update on Earthquake response:** Manoj also provided an update on the response to damages caused by April 25 earthquake which will be addressed through the proposed second phase of Strengthening PFM System Project which is currently being processed. He said that consideration will be made to finance for loss of office equipments, networking, power back up etc ; he also said that it will not be possible to support the request for civil works as this is not covered under the Administrative Agreement agreed with MDTF partners. GoN is in the process of preparing separate plans for the Civil Works reconstruction. The OAG building was damaged during the earthquake but they have identified an office space for relocation. As mentioned earlier, a mission will be conducted with the OAG next week and the team will utilize this opportunity to discuss more about this issue.

Agreed Actions:

- The field assessment report on DTCOs damage, as prepared by FCGO, will be shared with the development partners
 - The project paper for Phase 2 will be shared once it is finalized and received all approvals;
 - Following a request from DPs for more frequent reporting (then the current six monthly reporting), the team will prepare a draft format for brief quarterly reporting (primarily financials and some highlights) and share with DPs.
 - The six monthly MDTF progress report is under drafting and will be shared shortly after seeking internal approvals.
7. **Discussion on SCSO II (demand side) project:** Luiza A. Nora, TTL of Strengthening CSOs' Use of Accountability to Improve PFM in Nepal - Phase 2, provided an overview on the project status. The project became active as of beginning of July. She highlighted that the focus will be on using PETS in five districts, tracking expenditures at the VDC level, continuing with the use of community scorecards and focusing on grievance re-dressal mechanism process. Activities with the OAG which were scheduled for May/ June will be taking place now this fall and will focus on development of broad guidelines to mainstream citizen participation in the performance audit building on the approach paper. PRAN/ CECI team will also ensure collaboration and full harmonization of the activities of LGCDP.

Agreed Actions:

- PRAN PCU with the partners will meet with the LGCDP team to brief them about the project and coordination the planned activities.
- PRAN will organize a task team meeting with DPs supporting LGCDP separately.
- TTL Luiza Nora will share with the technical group summary of the proposed activities.

8. **Update on procurement sub-project** : Zafrul Islam, Lead Procurement Specialist, made a brief presentation on the proposed Public Procurement Reform Project proposed to be supported by MDTF. Presentation is attached. An official request has been received to support the captioned project which aims to build capacity in this important area and improve coordination between PPMO and other sectors. There is a general consensus that this project would need to be supported but more details will be required to brainstorm better. EU informed the group that they could further possibly contribute around Euro 3 million to the MDTF. Following points emerged from discussions: (1) Procurement team will incorporate comments received from the group and revise the concept note; (2) Approval of this project will be contingent on availability of balance funds and inclusion in PFM reform strategy Phase II (including new pledges); (3) MDTF time period should be extended if this proposal were to consider within the current phase of support. (4) The group also discussed the next round of pledges for MDTF. (5) A MDTF work plan will need to be formulated based on the PFM reform strategy phase II for which a half day brainstorming should take place shortly..

Agreed Action:

- Procurement team will share a detailed proposal incorporating comments received from the meeting to all partners shortly;
9. **Discussion on Strengthening Budgeting Project:** proposal for one year closing date extension of BETF. Roshan Darshan Bajracharya, Task Leader for Strengthening Budgeting Project made a presentation on progress achieved so far under the Project, and also highlighted a need for closing date extension by one year in order to accommodate some delays caused by the recent earthquake which affected the implementation. Further, the government has made a request to add new activity to address the needs arising from the earthquake mainly dealing with the support related to reconstruction and rehabilitation from within the available budget under the existing project. His presentation is attached. The meeting suggested the following: (1) The proposal was agreed in-principle and (2) A formal request be obtained from the Ministry of Finance for closing date extension and for adding new activities.

Agreed Actions:

- Roshan will follow up with the Ministry of Finance for a formal request for closing date extension;
- Roshan will share all the reports that have been finalized under this sub-project to all partners;
- Pragya will forward a detailed proposed for additional scope of work as presented by Roshan.

10. **AOB :** Manoj informed that Pragya Shrestha will be leaving the Bank shortly for her personal reason. Manoj and Bigyan appreciated all support provided by Pragya for managing MDTF and wished her all the best wishes for her career. Manoj also informed that Shraddha Shah will be taking over from Pragya and formally introduced her to the team. Katya from EU also informed that she will be completing her tenure in the EU and will be returning back to HQ next week. She informed that her successor plans to join starting September 1. All participants wished Pragya and Katya all the best for their onward journey.

Enclosure : all Presentations made at the meeting