

Technical Review Meeting
Nepal Public Financial Management
Multi Donor Trust Fund
Monday, January 25, 2016 at WB Office
Minutes of the Meeting

1. **Introduction to Franck Bessette, MDTF Program Manager:** The meeting was chaired by Mr. Manoj Jain, outgoing Program Manager for Nepal MDTF. Opening the meeting, Manoj welcomed all participants (list attached) to the sixth technical review meeting with brief self-introduction of the participants. He introduced the new manager of the Nepal MDTF program Mr. Franck Bessette.

Franck has prior experience working with the PEFA and was also associated with the French SAI. He brings vast experience in the PFM sector. He is new to the South Asia region. Franck joined the position January 1, 2016 and has since met several DP colleagues and our clients from the GoN.

2. **MDTF support to GoN PFM strategy (MDTF phase 2 proposed work program):**

A joint working team including the WB, DPs and PEFA members was established to prepare the GoN's PFM Action Plan. The team was also given the responsibility to help identify the areas where MDTF can contribute. A consultant was hired under two distinct ToRS (PFM reform strategy for GoN and MDTF strategy/Work Plan) for this purpose. The GoN is in the process of further developing the draft reform strategy; and also taking it forward for due consultations with stakeholders (including DPs) and for finalization.

Following this latest development, Franck took the opportunity to explain, based on GoN action plan and pertinent weakness in the system that he had come up with new areas where MDTF could intervene such as the public investment management and public resource mobilization which included the debt management aspect. The client is working on the PFMRP2 draft and will take this draft to the national steering committee by mid-February as it will get finalized. Once this final reform strategy is finalized and an agreement is reached on how best the MDTF can contribute to its implementation, a PCC meeting will be held, tentatively around March 2nd week. The need for an extension of the MDTF was mentioned as well as the need for a reevaluation of administrative fees, which will be formally discussed at the next PCC.

DPs expressed strong support for a phase 2 of the MDTF. They expressed either interest or support to the proposed work program. Some partners mentioned the need for testing the feasibility of some of the proposed items in terms of counterpart capacity, alignment with GoN priorities, comparative advantage of the MDTF and based on lessons learned

from previous phase. Some donors also mentioned the need to review the proposal based on earlier strategic discussions (the July 2015 workshop organized by Bigyan). Based on this, it was agreed that a brainstorming session will be held on Feb 8 to amend, complete and finalize the proposed work program.

It was decided that all donors will meet on Feb 8 for half a day to finalize this. In the meantime, the donors will send their comments in the draft work plan by Jan 29 . Also a technical review meeting will be held in end of February to finalize this MDTF strategy.

3. Brief update on all sub projects was given by TTLs: (files attached).

- a. **Strengthening the Office of the Auditor General Project:** Akmal Minallah mentioned that the consulting firm Cowater has delivered most of the work and is in the process of submitting their completion report.
- b. **Program for Accountability (PRAN) Update:** Manoj has requested the team to share all AMs / documentation of their work so that we can put it in the MDTF website. Also, it was discussed that the GoN has put civil society at the forefront at the highest level in the PFMRP2 and this is a very positive step. It was agreed that a joint communication along this line will be prepared and discussed in the next PCC meeting. It was emphasized that the MDTF donors should speak in unison that the MDTF must include a demand-side component that is managed by the MDTF TF and not funded through the GoN.
- c. **Strengthening Public Financial Management (SPFM) project:** update on components 1, 2 and 3 were respectively provided by Manoj, Yogesh and Timila from the Bank side.

4. AOB:

- (i) **DFID:** DFID consultant will be coming on a mission from Feb 7 – 18 and will meet with various donors during this time to complete their annual project completion report. They were on a field trip where they observed some PRAN related work and would like to organize a joint field trip in the future with other DPs.
- (ii) **USAID:** Apart from MDTF support, USAID is helping the GoN in supporting LMBIS and capacity development of GoN staff doing LMBIS work. This also includes IT assistance/ upgrading etc. They are also helping Ministry of Health and Education improve their internal control environment. In addition they are also working with the National reconstruction authority but the areas of support has not been identified yet. Besides USAID is also providing Red Book support to Ministry of Agriculture and its entities.
- (iii) **Embassy of Australia:** An independent assessment of MDTF was intended as per internal requirement for the embassy. The TOR for this study was finalized but due to unavailability of the international consultant this is on hold at the moment. In order to put additional funding into the MDTF, the embassy requires a final MDTF strategy document.

5. **Farewell to Laura:** Manoj concluded the meeting with thanks to MDTF donor partners for their active participation in the discussion and bid farewell to Laura who is leaving Nepal on an assignment in London. Laura's valuable contribution to the work of MDTF was highly valued and she will be dearly missed by all donors.

Agreed Actions:

- Donors to send comments on draft work plan by Jan 29.
- Donor workshop on Feb 8, morning.
- Technical review meeting will be held in February end to finalize the MDTF strategy (this is require for Embassy of Australia).
- Initiating preparation of a virtual review for PCN for PPIP (public procurement improvement project) sub-project
- USAID will share their updated doc. On support outside of MDTF
- DFID will share draft of their work in internal control project report with DPs.
- DFID will share project completion report with DPs.
- PCC meeting will be held in March
- It was agreed that a joint communication along civil society work will be prepared and discussed in the next PCC meeting.

Enclosure: all Presentations made at the meeting/ attendance sheet