

Nepal PFM MDTF
Technical Meeting, June 24, 2020
Via Skype

1. Introduction to Victor Boakye Bonsu, Sr. Financial Mgmt Specialist (successor for Franck):

WB took the opportunity to introduce Victor, Sr. Financial Mgmt Specialist at the bank who will take over from Franck. WB is trying to adjust to this difficult period and relocations have changed because of COVID 19 situation. For now, Franck will stay in his position in Nepal until August 31, 2020. Franck thanked all DPs and his team for a wonderful stay and work in Nepal. He mentioned MDTF is a collective undertaking and it has been a good experience for him and hopes the same for Victor.

2. Main objective is to Prepare for PCC meeting on June 29:

Main discussion in PCC would be around the contingency plan (CP) which is trying to shape the future of the direction for MDTF. We need to show that everything we are doing is to help the country overcome the crisis, in terms of economic, social point of view and address resilience and recovery. What MDTF is doing is relevant in time of crisis and we can adjust our engagement so it will address the crisis.

Logistics for the meeting was also discussed and everyone agreed to use webex (tool). WB will do a dryrun for those who are not comfortable with this tool. George Larbi, our PM will also attend.

WB also informed the group that they have received Letter for extension of IPFMRP from MOF. This is shared with all DPs. Also we will try to do the Federal PEFA assessment as early as FY 2021, starting this July to June 2021 – CMU will put all its force behind PEFA assessment. We are not putting this as an agenda for PCC but if any DP want to mention it during the meeting its fine and WB CM might also say something about it. There is no funding issue but we can to decide on various options and how to do it best. This is overdue in Nepal and it will be one of the major tasks for Victor. Even form fiduciary perspective it is good news.

3. Contingency Plan (note) for Nepal PFM MDTF:

Wb has shortened the CP (note) and also made main messages more apparent, as it will be read by HOAs and WB CM etc. the orientation is clearer now. The idea is to make sure MDTF is responding to crisis. Ramesh will present in PCC about IPFMRP, the idea is also to use different working modality as long as crisis lasts. Use virtual implementation support and we have managed to do this in MDTF mgmt. (virtual mission for IPFRMP- AM already shared) and we have met with DPs more often. Through this, we have tried to strengthen some areas of engagement – try to help the GoN be efficient and also Accountable (increase / reallocation of resources) for COVID (more transparency / less corruption , accountability) etc. We need to help GON to be more transparent and accountability and entire area of sub national GON. There is a risk of federalization, at local level as crisis is hitting.

Feedback from DPs:

Norway: welcomed Victor on board as the new MDTF manager, and Vivian informed she will start a new job in Tanzania in August. On CP, thanked WB for including their comments. However, the HR part could be reflected better, as well as the GENDER perspective on activities. The CP's focus is mostly very technical. As the COVID-19 crisis has an adversely effect on women and vulnerable populations, it is recommended to include mitigations measures and a broader inclusive perspective. Based on COVID 19

and extension of IPFMRP, Norwegian colleagues also see that GON should start work on updating the PFM reform strategy, including the sub-national PFM.

DFAT: thanked WB for proper transition and welcome victor. Expressed they have similar Gender concerns as Norway. GON needs to have Business continuity plan – all our initiative is towards supporting the GON. Pandemic has also demonstrated need for BCP at al 3 levels. GON PFM Reform Strategy – how to respond to crisis/ emergency which easily link to PEFA assessment (which helped us to identify gap in the system and so we came up with the PFM reform strategy). 3 years of fiscal federalism is done now so we have sufficient data to build a strong case for this assessment. In terms of coordination effort – which fall heavily on PEFA Sec, we need to strengthen the PEFA sec on operational side, work remotely etc

DFID: wants to know the status of WB GOV note on interim guidance note for BCP – (WB informed this has not been done). We will inform everyone when we know more. DFID mentioned that is important how we translate these (CP) into action. To show to GON as well how DPs and MDTF are trying to be supportive to GON in managing this crisis and showing relevance of key areas we have been working on. We try to operationalize and show progress concretely. Concrete Steps to show our Mgmt. on following:

1. sub national Gon levels (eg. fiscal transfers made by NFRCC). How can we translate that into useful action.
2. BCP – importance is clear. How do we operationalize this? (coordinate with PLGSP).
3. AM from IPFMRP – Downgrade to MU.....and what we will do about this.

Response from WB: The CP note should be an item to consider in our technical meetings moving forward. To see if we are still relevant. TTLs of IPFMRP can use this note in their conversation with GoN. Idea is to approve the note in PCC and in progress report we can follow up on it, to see if the note is still relevant? Can whether or not it is translated into action. In terms of BCP, WB is pushing at agency level eg, municipality, PEFA sec, FCGO (and not overall) . WB idea is to talk to MOF/ FCGO and also maybe approach some sub national GoNs. If others are working on this, let's not duplicate and coordinate.

4. Follow up on AAs:

1. SECO is moving ahead for signing with additional resources.
2. Norway: WB and Norway working on it together. Should be signed soon.
3. USAID: It is Under review process in their team and hopefully will be signed soon
4. DFID: more of a timeline issue, might be stuck in pipeline, and will follow up again.
5. EU – received time extension from MOF. Will be able to sign soon.

5. AOB:

1. DFID has a recruited a PFM person who will be on board soon to work on MDTF.
2. Farewell to Vivian and wish her best in future.

6. Agreed Action: WB will send this revised CP (note) with PCC meeting invitation/ agenda