

Nepal: Strengthening Budgeting Process for Results

I. Introduction and Context

1. This project concept note presents a proposed “upstream budget planning and execution strengthening reform plan” for Nepal. The proposed intervention plan is phased. Initially, the team proposes to prepare a diagnostic of reforms with an action plan (to update past analyses, identify/confirm the specific areas of assistance and ensure full GoN buy-in around the diagnostic), including completion of various on-going activities. Once agreement is reached amongst key stakeholders (National Planning Commission, Ministry of Finance and key line ministries), other technical capacity strengthening activities in identified areas will be undertaken over a multi-year period, whereby the ground work in one area feeds into the next. Through this approach, the team seeks to: (i) internalize ownership of the budget reform process among government stakeholders, (ii) foster mutual accountability amongst key institutions for delivery of agreed activities, and (iii) synchronize upstream reform plans with on-going downstream public financial management (PFM) reform and institutional strengthening activities.

A: Country Context

2. Nepal, a young democratic republic state, is striving to make good lost development time through its 13th Development Plan. Political challenges remain, including the long awaited promulgation of a new Constitution, which will have bearing on the nature of the state and financial powers to be exercised by different agencies. Its economy grew by 4.6 percent in FY12 vs. 3.9 percent in FY11, but growth in FY13 is projected to be well below the 5 percent target. Fiscal management results are mixed. Estimates of FY12 expenditure indicate the government exercised prudence in aggregate fiscal management; net domestic borrowing, the primary deficit, and the overall fiscal deficit are all expected to be lower than FY11 outturns. Increased revenue (up 1.3 percent of GDP vs. FY11) combined with lower expenditure ¹(down 0.4 percent of GDP) largely explain the positive treasury balance of 2 percent of GDP. While lower net domestic borrowing (down 0.9 percent of GDP) is a positive outturn of FY12 budget management, lower aid utilization and capital expenditure point to weaknesses in budget management and adherence to the Medium Term Expenditure Framework (MTEF).

3. The newly formed “Interim Election Government” will hold elections during 2013. The new government has taken necessary steps to ensure that the budget supports development. It took upon itself to prepare a supplementary budget for FY13 to address a significant resource shortfall (estimated at 1.3 percent of GDP) in the remaining period of this fiscal year. Concomitantly, the government has initiated Rs. 506 billion budget formulation process for the fiscal year 2014.

B. Sectoral and Institutional Context

4. **Expenditure Framework and Resource Planning:** In 2002, the Government of Nepal (GoN) introduced the Medium-Term Expenditure Framework (MTEF) to anchor its Poverty Reduction Strategy Program to the annual budget. The MTEF initially covered five strategically important ministries, but was then extended to all line ministries and eventually the entire budget. While the main objectives of this initiative are laudable, namely to ensure: (i) fiscal prudence at the aggregate fiscal level, (ii) allocation efficiency at line ministries underpinned by sound sector strategies, and (iii) “value for money” spent, much remains to be done to make the MTEF process effective and credible.

¹ Plausible causes of low capital expenditure: late approval of annual work plan budget; cost of budget programming and incentive to go for ‘contract’ implementation by slicing the job into small parcels towards the end of the fiscal year.

5. **Budget formulation** is split between the National Planning Commission (NPC)—which manages the MTEF and capital expenditure budgeting—and the Ministry of Finance (MoF)—which manages annual recurrent expenditure and overall budgeting—and lack of proper integration between the MTEF and annual budget preparation results in a certain amount of parallel activity. Line Ministry officials perceive preparation of the MTEF to be a burdensome activity, on top of their normal responsibilities, yet which fails to bring greater predictability of resource availability over a multi-year time horizon. Moreover, education and health are the only sectors that have national sector strategies, while others just have business plans which are being strengthened for conversion into sector strategies (e.g. recent agriculture sector strategy). The annual budget continues to be prepared on an incremental basis delinked from a medium term perspective.

6. **Budget Planning and Execution:** Key identified areas of weaknesses include expenditure prioritization, cash management, and late approval of annual plans. More than 80 percent of expenditures in annual budgets are classified as priority one (i.e. no meaningful prioritization); consequently even areas with known delivery side difficulties continue to be funded. Weaknesses in cash management are evidenced by outstanding aid reimbursement claims as large as 2 percent of GDP, extensive use of the overdraft facility, and domestic borrowing pressed to service at the last trimester of the fiscal year. These worrisome indicators are in part due to late approval of annual work and procurement plans. Moreover, MTEF ceilings do not provide a credible guide to spending limits, and substantial bunching of expenditure takes place in the last trimester. Issues with technical capacity for project appraisal, procurement, and external financing all serve to hinder overall capital spending, which typically under-executes budget provision. Lack of technical capacity to execute capital expenditure, especially at the lowest levels of government, is also a key challenge. Since the legal framework provides line ministries considerable virement powers, substantial reallocation across categories during the year coupled with loose controlling mechanisms results in weak accountability of resource use. Virement within capital spending has increased, on average, to 30 percent of the total capital budget.

7. **PEFA assessment:** The 2007 Public Expenditure and Financial Accountability (PEFA) assessment concluded that while PFM systems are in place in Nepal, several key systemic weaknesses remain, especially in the enforcement of rules and regulations during budget implementation. Even though formal systems have been instituted, informal practices have not changed much; moreover, while some central systems were upgraded (e.g. information systems) progress in line ministries in the areas of budget execution monitoring and budget discipline has been limited. The PEFA identified five main areas for strengthening: (i) tax administration, (ii) budget preparation/formulation, (iii) budget execution and internal controls, (iv) accounting and reporting, and (v) external audits. While some progress was made in selected areas, it has been much more limited in “upstream” areas (i.e. ii and iii above), despite their widely acknowledged importance.

II. Proposed PDO/Results

8. The proposed development objective (PDO) of this Technical Assistance (TA) activity is to assist authorities in their efforts to ‘*improve policy based budget process*’. The main activities through which the team proposes to achieve these objectives are described below.

III. Project Context and Brief Description of Planned Activities

9. There is currently a window of opportunity to address PFM weaknesses and gaps in Nepal. Even as implementation of the MTEF needs strengthening, the GoN is envisaging moving from the current MTEF to a full-fledged Medium-Term Budget Framework (MTBF). The proposed TA seeks to identify and support implementation of upstream Public Financial Management (PFM) reforms in a

manner that is owned by all upstream planning and budgeting institutions together with line ministries to strengthen the policy basis of the budget, improve budget execution, and monitoring and fiscal transparency and accountability of resource use. Strong ownership is key because the PFM reform path is never linear and experiences of other countries suggest that budget reforms are much more likely to be successful if the government owns the reform program and demand side pressure is strong. Cognizant of this prerequisite and given the current window of opportunity, with former bureaucrats at the helms of government, the team proposes to pursue a platform approach to seamlessly link PFM performance strengthening activities starting by securing a ‘compact on activities’ from critical institutions². The proposed list of activities below were identified by the government in the past and they constitute a “menu” of interventions from which a selection will be carried-out, based on current GoN demand and priorities. In addition, prior to implementation, the team proposes to circulate an activity level project document to government and MDTF partners for fund approval and release for all major activities³, thus ensuring two stages buy-in from all stakeholders. A list of proposed activities to be completed by 2015 is provided below⁴:

10. **Budget Credibility:**

- i. **Develop consensus on a capacity building action plan:** With the transition government focused on the elections agenda, achieving bureaucratic coordination around a shared platform and agreement upon a capacity building action plan to improve budget formulation, tax revenue administration, budget execution, monitoring and release of budgetary performance and fiscal information will be a tall order. Securing this compact would be done through several intense deliberations carried out by following a facilitated workshop format. This activity - securing compact – will be done in parallel with a gap identification assessment, so that the intermediate outputs of the assessment – notes – are shared with the stakeholders to solicit guidance, ensure ownership of the process and that the product (action plan) can be endorsed by the GoN. This activity is expected to cost about USD 30,000, and will be completed within the next 3 months.
- ii. **Completion of digitization of annual work plan:** Nepal has institutionalized ‘output based’ budget planning at the ex-ante stage, but is still far from ‘performance based budgeting’ (PBB). The first building block of the annual PBB process is budget negotiation amongst the planning, budgeting, and implementing institutions, which helps bind together all stakeholders. Delays in budget negotiation, and subsequently in its approval, have cascading effects, contributing to implementation delays in development programs, poor quality of public expenditure, and high opportunity costs to the economy from non-implementation of budgeted programs. To improve budget outcomes, more time and energy needs to be put into the forward planning of activities, including realistic cost parameters, translated into credible procurement plans, and culminating in measurable annual outputs. In Nepal, this process is known as approval of the Annual Work Program Budget (AWPB), and it is central to the release of capital funds. Output based budget forms are now being used to prepare the next fiscal year’s budget.⁵ To help strengthen the AWPB process and facilitate better monitoring of expenditure, the GoN has identified the Ministry of Education as the pilot for on-line digitization budget information, which will subsequently cover the whole budget by end-2013. This proposed activity, which covers all sector budget programming, budget data feed, manuals, trainings and AWPB

² Finance Minister has requested the Bank to secure compact on actions from leading institutions namely NPC and major line ministries, at the earliest.

³ US D 100,000 and above

⁴ Details in Annex.

⁵ NPC form number one/ budget form numbers 6.04.01 and 02. Annual budget call forms, with trimester output targets and corresponding budgets, must be signed by the budget line manager and the custodian of the budget for the respective ministry. GoN has completed the computer software, oracle based online budget planning program at the aggregate level. Additional activity level code programming is needed before further rollout of this software.

program linkages with the existing budget information platforms, is expected to cost around USD 70,000 (\$ 40,000 for software development, manuals, training and data feed; \$ 30,000 for hardware installation), and will be completed by Mid-March 2014 in time for FY 15 budget preparation schedule using this budget call platform.

Table 1: Envisaged Phase 1 Activities

Platform Objectives	Activity	Description	Deliverables
Credible budget	Consensus building on capacity building action plan	Series of facilitated workshops	GoN owned "Compact" on reform program for budget formulation, tax revenue administration, budget execution, monitoring and release of budgetary performance and fiscal information.
	Completion of annual work-plans digitization	Technical assistance and training to the Annual Work Program Budget process	Full online digitization of annual budget call forms
	Gap identification	<ul style="list-style-type: none"> ▪ Analysis of gaps in budget planning and formulation; ▪ Stock taking of ongoing activities by GoN and DPs ▪ Identification of entry points for reforms; ▪ Sequencing of policy measures; ▪ Opportunities for TA. 	Diagnostic Report including: <ul style="list-style-type: none"> ▪ Detailed reform plan under phase 2 (including specific/costed "Capacity building action plan"). ▪ Outreach on BOOST
	Spending process streamlining	TA to strengthen <ul style="list-style-type: none"> ▪ Macro-accounting framework; ▪ Revenue forecasting; ▪ Aid platform synchronization with MIS; ▪ Debt management. 	TA progress reports
	MTBF implementation (1)	Scoping mission on MTBF	Report analyzing gaps in MTEF implementation and recommending measures to prepare move to MTBF
	MTBF implementation (2)	Implementation of MTBF recommendations	MTBF operational on an incremental coverage
	Piloting of tax expenditure and quasi fiscal expenditure reports	TA to develop a tax expenditure and quasi-fiscal activities report	Reports
	Fiscal devolution	Analysis of options for fiscal devolution policies and intergovernmental transfers	Options paper Fiscal database
	USD 600,000		
Linkages of priorities and service targets to	Sectoral plans assessment	TA to improve sectoral plans (outputs costed and reflected in annual budget)	Improved sectoral plans Process indicators for major sectors and sub-sectors prepared and evaluated
	Sectoral MTEFs	TA to prepare sectoral MTEFs linked to 3 year plan	Sectoral MTEFs (rolling budgets linked to outputs covering 75% of annual budget) Red Book II linked to annual plan.
USD 125,000			
Program performance	Synchronization of budget MIS systems	Direct field supervision to enforce synchronization of MIS systems	Performance based release system in place and enforced

Platform Objectives	Activity	Description	Deliverables
	BOOST expenditure analysis and open data	TA to develop BOOST database and build capacity to maintain it Stakeholder consultations	<ul style="list-style-type: none"> ▪ Quarterly revenue and expenditure data publicly available on dedicated site ▪ Platform for stakeholder feedback developed
	Parliamentary oversight	Training to parliamentarians on budget preparation and its review.	<ul style="list-style-type: none"> ▪ Finance Commission of the Parliament actively participates in budget discussion.
USD 180,000			

- iii. **Gap Identification:** Since there is no diagnostic currently available in Nepal after the 2007 PEFA, the team will first focus on the identification of gaps in budget planning and budget formulation. This activity will review on-going joint and/or bilateral efforts of the GoN and/or development partners to strengthen the budget framework, budget planning and budget formulation, its linkage with policy directives; resource allocation and performance monitoring assessments and activities. More specifically, the assessment will identify points of entry for capacity building by reviewing progress on the GoN's PFM reform plan in: (i) tax administration, (ii) policy based budget formulation and budget execution and (iii) monitoring. The expected output of this diagnostic will be an identification of policy and technical issues and from therein a roadmap to improve budget formulation, tax revenue collection, budget execution and monitoring and release of budgetary performance and fiscal information. The diagnostic will recommend reform sequencing, policy measures, and identify specific areas for technical capacity building assistance with associated costing. The assessment will also be used as an input into the next PEFA assessment. This phase will also introduce the concept of BOOST to GoN. The detailed reform plan that will emerge will be supported by the MDTF for a multi-period capacity building engagement under Phase 2 (see below) based on the costing work and the priorities of the GoN. This activity will be carried out by nationally and internationally recruited PFM experts; it is expected to cost about USD 75,000, and to be completed over a 5 month period.
- iv. **Strengthening Budget Credibility.** As noted earlier, bunching up of expenditure in the last trimester, large outstanding reimbursement level, and use of overdraft facility are signs that the financial system is not working well. In-year financial planning requires close coordination between the entities responsible for budget execution, debt management, and revenue management to ensure predictability of resources. For effective in-year cash planning, a strong monitoring system is a pre-requisite that monitors the cash release against outputs (AWBP) including the payroll, pension and cash transfers. Prompt transfer of revenue collected to the Treasury so that funds are made available for spending is another block that needs strengthening, as part of building a strong financial monitoring system. In addition to strengthening the monitoring, predictability of revenue, aid and sequencing debt instrument floats are also pre-requisites to ensure credibility of the budget. The proposed program will focus on strengthening ongoing work on macro accounting framework (NPC/NRB); revenue forecasting (IRD/MoF/NPC); synchronizing aid platform with MIS systems (FACD/MOF/FCGO); and debt management (i.e. to provide additional assistance to World Bank team working with MoF Economic Policy Division). Implementing these activities is expected to cost around USD 50,000, and the work is expected to be completed in six months.
- v. **Improving the linkages of budget priorities with resources.** The GoN has announced the graduation of the MTEF to a MTBF, even when MTEF implementation is incomplete. Having a

medium-term framework although helpful, must be rolling-forward taking into account actual inflation, assessing donor fund predictability, focusing on intersectoral resource allocation that has forward expenditure estimates aggregated by sector or ministry. The framework should become the basis to discuss the budget policy and be used to frame the annual budget preparation. This is not the case in Nepal, although some form of MTEF has been implemented for the past decade. The team proposes an identification of gaps in MTEF implementation and assesses the feasibility of implementing MTBF. The assessment is to be completed and to include concrete measures to assist the government to move from the MTEF to a MTBF. The expected cost of this scoping mission is USD 75,000 with a report to be submitted within four months of activity initiation. The MDTF would be the funding source to operationalize the MTBF.

- vi. **Operationalizing MTBF on an incremental coverage:** The major building blocks for implementing a MTBF are already in place. The team proposes to support implementation of the MTBF including measures taken to implement activities identified by the first phase scoping assessment. A tentative cost of USD 150,000 is proposed with a separate PCN to be submitted for fund approval, at a later date.
- vii. **Piloting of tax expenditure and quasi fiscal expenditure reports:** Public expenditure at the current state of information disclosure is likely significantly under-estimated. Substantial amount of public expenditure through tax code exemptions are in practice and this level could be as high as 3-5 percent of GDP. If quasi fiscal activities are included, public expenditure from these two channels could be in the neighborhood of 10 to 12 percent of GDP. To get a good handle of total public expenditure, the team recommends that IRD and MoF pilot reporting of tax expenditure and quasi fiscal activities. The tentative costs of these activities are estimated to be USD 50,000. International experts will team-up with GoN staffs to produce the reports thus building analytical capacity of these two institutions. Report submission is expected within six months of fund availability.
- viii. **Fiscal Devolution.** The new constitution in the making has enunciated principles for fiscal devolution but remains short on specifics on fiscal devolution polices. Approx. USD 100,000 is proposed to assist the government prepare fiscal devolution, once the political boundaries of provinces are settled. A separate PCN will be submitted for fund approval and release.

11. **Linkage of Plan to Budget:**

- i. **Preparation of Sectoral MTEFs:** The government plans to unveil a Three Year Plan in 2013 and the Plan will present sector strategies to leverage Plan outcomes. These strategies should be anchored by sectoral MTEF to bring back realism in the sector budgets. Approx. USD 100,000 is proposed for this activity to help develop MTEFs in major sectors. A separate PCN will be submitted for fund approval and release after advance copies of sectoral chapters of the Plan is secured.
- ii. **Annual Budget anchors result focused Three Year Plan.** A results-focused Three Year Plan is under preparation. The new Plan is expected to improve existing sectoral business plans and sectoral strategies that are under preparation. A small fund is proposed to ensure that key sectoral outputs are costed and a bridge is established between the strategies and annual budget within realistic resource envelope. The initial cost proposed for this activity is USD 25,000 and could be expanded upon review of the Three Year Plan.

12. **Program Performance Accountability:**

- i. **Program performance, accountability and ensuring demand for fiscal information from the civil society.** Budget planning is performance-based, but downstream budget control is very much towards line item control to manage cash. Although three separate MIS platforms,

namely BMIS, FMIS, and LIMs are in operation, the government does not have/release budget execution data. With the completion of TSA roll-out, it is now possible to obtain quarterly expenditure and revenue data to improve budget management and governance. Further with the digitization of budget forms, performance can be tracked. These two information systems are to be synchronized to enforce performance-based budget/fund release system. Efforts are underway to educate and strengthen the analytical capacity of civil society on fiscal information. However, a platform for civil society to interact with the government on fiscal data is lacking thereby limiting the scope to influence change to public expenditure. A platform for this interaction will be operationalized after consulting stakeholders. Approx. USD 50,000 is proposed for this activity.

- ii. **Implementation of BOOST.** Improving the quality of expenditure analysis, developing national capacity to sustain this analytical function and improving public access to fiscal data and analysis is the objective of BOOST (Box). This activity will be implemented with government uploading regularly quarterly expenditure and revenue data onto the web for public consumption and establishing a steering committee to lead the reform process. Tentative cost for BOOST implementation is USD 100,000.

Box: The BOOST public expenditure analytic tool

Developed first by Uganda and subsequently Poland PER teams, the BOOST project is an attempt to develop a data tool for Bank clients. BOOST makes budget analysis simpler, more transparent, and faster (standard PER trend tables produced in one day), and it permits easy links between spending data and District-level data such as local government service delivery results. The tool relies on raw annual expenditure data for various years' using the expenditure components of the Chart of Accounts. The team takes the raw data from the Treasury system, merges and cleans the data using Stata software, and then exports the data to an excel worksheet. In excel the raw data is summarized in a front-end worksheet which relies on look-up tables and data filters to present the data in any level of aggregation or detail that the Chart of Accounts permits (GFS economic classification, functional classification or administrative classification). The front-end duplicates the Government's reconciliation of raw data using rules for intra-Governmental fiscal transfers as directed by the Treasury Department of the Ministry of Finance. An extension of the tool allows PER teams to link District-level expenditure data to sector or service delivery inputs, outputs, and outcomes, or to other socio-economic data such as Adept outputs from household surveys.

- iii. **Parliamentarian participation in budget formulation and mid-term budget report.** There is in Nepal at present minimum participation of parliamentarians in budget discussion. This requires strengthening the analytical capacity of the Standing Committee on Budget to guide the executive in budget preparation as well as provide feedback to the executive during the annual mid-term budget review. This would require a combination of analytical skills and exposure to good parliamentary practices and building the demand side for informed debates. Approx. USD 30,000 is proposed for this activity. This activity is in addition to proposed work under Bank executed assistance.

13. Major risks and mitigating measures:

- Risk: Change in the regime initiating transfer of key personnel of MoF Budget Division;
 - ❖ Mitigating measures: Widen the circle of PFM ownership within respective divisions and departments through early-on active participation during the formation of the compact (10 i);
- Risk: Key programming personnel moved to complete budget preparation;
 - ❖ Mitigating measures: Sequence critical activities during the months of August to December, lean period for Budget Division of Ministry of Finance;
- Risk: Sequencing affected by client's current political priorities resulting in re-ordering some proposed intervention and dropping of few with the formation of the new government.
 - ❖ Mitigating measures: In addition to ensuring ownership of the PFM program within

bureaucracy; initiate dialogue with stakeholders on PFM agenda, starting with an activity in this direction under component 10 (i) to ensure a common minimum PFM program to be agreed and incorporated as part of the new compact;

- Risk: Fiscal devolution is political and could invite unnecessary debate.
 - ❖ Mitigating measures: A joint team (government and Bank) will look at the possible devolution options through the lens of fiscal viability and financial sustainability only. Assessment is purely technical, backed by fiscal database of current local governments – district development committees.

14. **Implementing Agency Assessment**

This will be a World Bank executed activity. However, the Bank will ensure close coordination with the Government of Nepal to implement the proposed activities and to own the entire process.

IV. **Tentative Budget and Task Team Composition**

15. The overall budget for this task will depend on the specific activities pursued in practice between now and June 2015. Based on the team's preliminary assessment, a ball park estimate of around USD 0.91 million is envisaged. Given the somewhat tentative nature of some envisaged activities, the team plans to prepare as-needed separate project concept notes for all large (e.g. over USD 100,000) activities for funding approval by the next MDTF-PCC.

16. The task team for this project will be led by Roshan Darshan Bajracharya (SASEP) and Mohan Nagarajan (SASGP). In addition, given the extensive public financial management capacity building work ongoing across the South Asia region, in particular in Bangladesh where the World Bank is currently implementing the Strengthening Public Expenditure Management Program (SPEMP),⁶ this project will as-needed also draw upon available expertise in the South Asia PREM and FM teams. An advisory committee will be formed to guide the team, the composition of which will be determined at a later date.

V. Peer Reviewers:

Internal

PFM Expert, Senior Economist, Hanid Mukhtar, SAREP, World Bank;
FM Expert, Manoj Jain, SARFM, World Bank.

External

PFM coordinator, Matt Gordon, DfID;

⁶ One of the largest multi donor trust-funded programs of its kind in the world, the SPEMP in Bangladesh focuses on (i) strengthening and modernizing core institutions of budgeting and financial management, (ii) improving the effectiveness of formal institutions of financial transparency and accountability, and (iii) building a pool of better informed public.

Annex: Proposed Activities

Platform Objectives	Activity	Description	Deliverables	Counterparts	Funding/timing
Credible budget	Completion of annual work-plans digitization	Technical assistance and training to the Annual Work Program Budget process	Full online digitization of annual budget call forms	MoF, NPC, Line Ministries	<ul style="list-style-type: none"> ▪ \$70,000 (\$40,000 for software development, manuals, training and data feed / 30,000 for hardware installation); ▪ 12 months (4 months for two piloted ministries; 8 months to cover the whole budget).
	Gap identification	<ul style="list-style-type: none"> ▪ Analysis of gaps in budget planning and formulation; ▪ Stock taking of ongoing activities by GoN and DPs ▪ Identification of entry points for reforms; ▪ Sequencing of policy measures; ▪ Opportunities for TA. 	Diagnostic Report including: <ul style="list-style-type: none"> ▪ Detailed reform plan under phase 2 (including specific/costed “Capacity building action plan”). ▪ Outreach on BOOST 	MoF, NPC, Line Ministries DPs	<ul style="list-style-type: none"> ▪ \$75,000 (national and international consultants); ▪ 5 months.
	Consensus building on capacity building action plan	Series of facilitated workshops	GoN owned “Compact” on reform program for budget formulation, tax revenue administration, budget execution, monitoring and release of budgetary performance and fiscal information.	MoF, NPC, Line Ministries, AGO	<ul style="list-style-type: none"> ▪ \$30,000 (workshops and national and international consultants) ▪ 3 months (staggered with above activity)
	Spending process streamlining	TA to strengthen <ul style="list-style-type: none"> ▪ Macro-accounting framework; ▪ Revenue forecasting; ▪ Aid platform synchronization with MIS; ▪ Debt management. 	TA progress reports	NPC, NRB - IRD, MoF - FACD, MoF, FCGO -MoF	<ul style="list-style-type: none"> ▪ \$50,000 (consultancies) ▪ 6 months
	MTBF implementation (1)	Scoping mission on MTBF	Report analyzing gaps in MTEF implementation and recommending measures to prepare move to MTBF	MoF, NPC	<ul style="list-style-type: none"> ▪ \$ 75,000 (national and international consultants) ▪ 4 months
	MTBF implementation (2)	Implementation of MTBF recommendations	MTBF operational on an incremental coverage	MoF, NPC, Line ministries	<ul style="list-style-type: none"> ▪ \$ 150,000 (consultancies, training); ▪ 12 months
	Fiscal devolution	Analysis of options for fiscal devolution policies and intergovernmental transfers	Options paper Fiscal database	NPC, MoF	<ul style="list-style-type: none"> ▪ \$ 100,000 (consultancies, training); ▪ 6 months (upon delineation of political boundaries)
	Piloting of tax expenditure and quasi fiscal expenditure reports	TA to develop a tax expenditure and quasi-fiscal activities report	Reports	IRD, MoF	<ul style="list-style-type: none"> ▪ \$ 50,000 (international consultancies & training); ▪ 6 months.
	Credible Budget				USD 600,000

Platform Objectives	Activity	Description	Deliverables	Counterparts	Funding/timing
Linkages of priorities and service targets to budget.	Sectoral plans assessment	TA to improve sectoral plans (outputs costed and reflected in annual budget)	Improved sectoral plans Process indicators for major sectors and sub-sectors prepared and evaluated	Line ministries, NPC	<ul style="list-style-type: none"> \$ 25,000 (consultants) 6 months (after draft approach paper is shared)
	Sectoral MTEFs	TA to prepare sectoral MTEFs linked to 3 year plan	Sectoral MTEFs (rolling budgets linked to outputs covering 75% of annual budget) Red Book II linked to annual plan.	MoF, NPC, Line ministries	<ul style="list-style-type: none"> \$ 100,000 (consultancies, training) 4 months (after advance copy of three year sectoral chapter is shared)
				USD 125,000	
Program performance accountability	Synchronization of budget MIS systems	Direct field supervision to enforce synchronization of MIS systems	Performance based release system in place and enforced	IRD, MoF, FCGO	<ul style="list-style-type: none"> \$ 50,000 (consultancies) 3 months
	BOOST expenditure analysis and open data	TA to develop BOOST database and build capacity to maintain it Stakeholder consultations	<ul style="list-style-type: none"> Quarterly revenue and expenditure data publicly available on dedicated site Platform for stakeholder feedback developed 	MoF CSOs	<ul style="list-style-type: none"> \$ 100,000 (consultancies, training, workshops/consultations , software development) 12 months
	Parliamentary oversight	Training to parliamentarians on budget preparation and review		Budget Commission of Parliament	<ul style="list-style-type: none"> \$ 30,000 (consultancies, training, workshops) Three months after new parliament is convened.
Performance Accountability				USD 180,000	