

10th Technical Review Meeting
Nepal Public Financial Management Multi-Donor Trust Fund
Friday, February 16, 2018 at the World Bank Office

Meeting Minutes

The list of participants is attached

1. Franck welcomed and started the meeting by introducing Governance Practice Manager Dr. George Addo Larbi. George applauded the partnership in MDTF and mentioned a greater need for collaboration in the context of Federalism in Nepal. Such as under IPFMRP, the trainings will now have to reach all three tiers of government and prepare modules and common templates that can be rolled out to all sub national governments. George also mentioned the needs assessment which will tentatively start in March. World Bank is waiting for a formal request from the GoN. The needs assessment will suggest interventions on a short term, medium term and long-term. In this regard he requested all donors to share any other assessments that they have done. George also mentioned that a flexibility window needs to be handled by the integrated project as things are evolving and MDTF is using the funds that is now available to them. As more funding becomes available in future we can restructure projects and put additional financing as things go well.

2. **Fiscal and PFM Development Policy Credit (DPC):** The proposed operation will support the government of Nepal in its efforts to establish a framework to move towards fiscal federalism and improve public financial management. This operation builds on prior analytical work, on-going Public Financial Management (PFM) activities and assistance to the government in fiscal devolution. The proposed operation is for US\$ 200 million and is the first in a programmatic series of two operations and is being fully financed from the Risk Mitigation Resources (RMR) window of the World Bank. The main risks to the operation arise from political vulnerabilities, stakeholder risks and weak institutional capacity. It is recently negotiated with the GoN and the board date is March 20. The project paper will be made publicly available after Board approval.

3. **IPFMRP:** Franck informed the group that a joint meeting was organized with PEFA Secretariat, OAG and PPMO to discuss their collaboration to move ahead in an integrated way. All stakeholders are now on the same page and the project will move under PEFA Sec's leadership. The project will contribute towards strengthening the effectiveness of public financial management institutions and processes, including external audit and procurement, at federal and selected subnational levels of government. Donors will provide their feedback to the project paper before the appraisal mission starting on Feb 26. Donors will be consulted during the appraisal mission.

4. **AOB:**

- PCC date to held in March second week (March 14). Tentative agenda was also discussed.
- Joint Field visit to be organized sometime in March/April within the framework of the needs assessment