

Technical Review Meeting
Nepal Public Financial Management
Multi-Donor Trust Fund
Friday March 4, 2015 at the World Bank Office
Meeting Minutes

The meeting was chaired by Manoj Jain, Program Manager for Nepal MDTF PFM who welcomed the government counterparts and development partners (DPs) to the second technical review meeting. List of participants are attached.

(i) **Presentation on Strengthening Budgeting Process**

Roshan Darshan Bajracharya, TTL of this sub-project, presented the progress on the upstream project of MDTF. He highlighted three core areas of this project and 13 activities associated with the respective areas. He also mentioned that these activities are conducted in close collaboration with the MoF and NPC. While several activities which are under progress (assessments and reports) are likely to be completed by current closing date, there may be a need for more time for few activities. The disbursement status was also discussed and the TTL confirmed that there is likely to be a saving of around USD 200 K. He agreed to contact the client and seek feedback on further work, which may be required on these activities and come back to PCC with possible plan for using these funds and closing date extension, if required.

The presentation is attached.

Agreed Action (AA):

- DPs suggested strengthening communication around this project to inform the group on the progress. It was agreed that an Aide Memoire/ML be prepared for this sub-project every six months like other sub-projects and be shared with DPs and also list actions/activities anticipated till next mission.
- It was agreed that the TTL would come back to PCC with a proposal to utilize anticipated savings and possible extension of closing date.

(ii) **Presentation on NPSAS**

Baburam Subedi, Member Secretary, Nepal PEFA Secretariat presented on the current status and action plan of NPSAS. He highlighted the successful completion of piloting of NPSAS in two ministries (Ministry of Physical Infrastructure and Transport (Large Ministry) and Ministry of Women, Children and Social welfare). These were certified by the International Consortium of Government Financial Management (ICGFM) in Washington DC. He also informed the group that FCGO has plans to implement NPSAS in all the ministries in the next two years (in different phases) – and to be funded under Additional financing to SPFM. A national consultant will also be hired to support the line ministries. A software utility is likely to be prepared that will help facilitate the preparation of financial statements. The presentation is attached.

(iii) **Proposal on PETS in Agriculture**

Elliot Wamboka Mghenyi, Senior Economist was connected through audio in Dhaka and presented a proposal to conduct PETS in the agriculture sector of Nepal. The proposal presented was for PETS in Fertilizer and Seed Distribution programs and the timeline to complete this study was proposed as December 2015. It was agreed that the TTL would address strategic questions raised in relation to conducting PETS in the agriculture sector (engagement with MoA on current programs, GoN ownership of PETS findings and recommendations, steps forward, etc) and provide a request in this regard from GoN for consideration of MDTF PCC. DPs agreed to revert back on this request by March 18, 2015 upon receiving the requested clarifications from the TTL. Presentation is attached.

AA:

1. Share GoN request for PETS in Agriculture Sector
2. DPs to revert on in-principle approval by March 18, 2015

(iv) **Presentation on PAC**

Geoff Dubrow, consultant from Co water International presented on the PAC component of Strengthening the Office of the Auditor General (SOAG) Project. He is working under the component 3 of the SAOAG project to meet with stakeholders and develop a plan (both short term and medium term) towards possible PAC related support that could be provided under the project. He highlighted his main observations as weak links between the OAG and PAC shared his recommendations for way forward. In terms of way forward, he mentioned that consultants could support PAC in further developing the draft operating procedures (provided there is demand on this aspect from PAC) and conducting the needs and training assessment for PAC Secretariat. The group also discussed the need to initiate activities under this component of the SOAG project which was not possible in the past few years due to the absence of PAC.

The presentation is attached.

AA:

WB will share the review findings of the consultant's report on PAC after seeking clearance from OAG.

(v) **New logo of MDTF:**

New logo with USAID was shared with the group which was agreed. The Government of Nepal recommended that their logo be incorporated to the existing logo of MDTF. It was agreed that the revised logo with GoN logo would be circulated virtually to all DPs.

(vi) **Strengthening PFM System Project: Additional Financing Project Concept Note**

Manoj Jain informed that the virtual review will be initiated shortly through Nepal CMU and everyone will get a week's time to provide their feedbacks.

Other Agreed Actions:

- The Technical review meeting recommended that Aide Memoires be prepared for BE activities as well : like Strengthening Budgeting Process project and the demand side projects (preferably, every 6 months)

- It was agreed that to allow technical review meetings to go in depth on technical and other issues, agenda should not usually have more than two items for consideration.
- Technical review meetings will be held periodically in between PCC meetings to allow for detailed discussions on technical matters, as may be agreed with PCC members.