

Nepal: Integrated Public Financial Management Reform Project (TF A7474 and A7475)
Fourth Implementation Review and Support, May 11-15, 2020

Aide Memoire

1. During May 11- 15, 2020, a Bank Team led by Mr. Maxwell Dapaah¹ carried out Implementation Review of the Integrated Public Financial Management Reform Project (IPFMRP). Due to the current COVID-19 crisis, the Team had virtual discussions with implementing entities. The list of persons met is in Annex-1. This Aide Memoire (AM) summarizes the findings on the status of project implementation, recommendations and agreements reached with the relevant agencies to take corrective measures and/or to expedite implementation. The AM was discussed at the wrap-up meeting on May 15, 2020 with Mr. Shishir Kumar Dhungana, Secretary, Ministry of Finance as the Chair of the Public Financial Management Reform Steering Committee. As agreed during the meeting, this Aide Memoire will be publicly disclosed as required by the Bank’s Access to Information Policy.

OVERALL STATUS AND KEY PROJECT DATA

2. *While some progress has been made in implementation, COVID-19 crisis raises issues of business continuity in core Public Financial Management (PFM) areas that needs attention.* The Project has completed two years of implementation. Some progress has been made since the last review in September 2019. Disbursement has increased to 13.1% from 7%. Besides, the three main consultancies – PEFA Secretariat’s Integrated Financial Management Information System (IFMIS) study, the Office of the Auditor General’s (OAG) capacity and systems assessment and development, and Public Procurement Monitoring Office’s (PPMO) procurement training and professionalization- are underway. Since the pace of progress has been steady during the lockdown period, the impact of COVID-19 on implementation was assessed as mild in the immediate term. However, with respect to the continuity of government public finance management (PFM) operations, the crisis has revealed major weaknesses that strengthen the business case for the various interventions supported by the Project. First, budget execution, accounting and financial reporting tasks were affected since the FCGO’s Computerized Government Accounting System (CGAS) system does not fully support remote processing of accounting transactions. Second, government procurement activities were also affected and the procurement of COVID-19 supplies was subject to vulnerabilities since the Electronic Government Procurement System (e-GP) has not yet been enhanced to cover all procurement activities. Third, the OAG could not carry out its external audit functions because the Nepal Audit Management System (NAMS) is not fully functional and hence could not support a paperless/remote audit. All these show that a PFM system- that includes a comprehensive Integrated Financial Management Information System (IFMIS), incorporating e-GP and NAMS- will be the backbone of the government’s effort to minimize the effects of the current crisis, support business continuity and resilience, and revive the economy in future crisis. The crisis has also underscored an urgent need for a coherent business continuity plan for all tiers of government. The IPFMRP is committed to supporting the development of model plans for the three tiers of governments. All these interventions require a much more strengthened and capacitated PEFA Secretariat to coordinate the PFM program. Lastly, the weak procurement capacity observed at implementing agencies in the last review still need to be fully addressed. In view of the underlying issues mentioned above and very low rate of disbursement in two years implementation period, the overall implementation progress is downgraded to “Moderately Unsatisfactory”; while the likelihood of achieving the Project Development Objective retains as “Moderately Satisfactory” as three key contracts related to PEFA Secretariat, OAG and PPMO are now in place for implementation.

¹ Other members of the Team are : Ms. Timila Shrestha, Senior Financial Management Specialist and Co-TTL; Mr. Franck Bessette, Program Manager; Ms. Kene Ezemenari, Senior Economist; Mr. Cem Dener, Lead Public Sector Specialist, Mr. Gabriel Dedu, Senior Public Sector Specialist; Mr. Shambhu Prasad Uprety, Senior Procurement Specialist; Ms. Jaya Sharma, Senior Social Development Specialist; Mr. Chandra Kishor Mishra, Procurement Specialist; Mr. Bishwa Raj Basaula, FM Specialist; Ms. Anjalee Maiya Thakali, Consultant; Ms. Shraddha Shah, Consultant; Mr. Nagendra Nakarmi, Senior Program Assistant and Mr. Shreeram Ghimire, Temporary

Table 1: Project Data

Project Data		Projects Performance Ratings		
Approval Date:	06/27/2018	Summary Ratings	Previous	Current
Effectiveness Date:	08/24/2018	Achievement of PDO	MS	MS
Closing Date:	07/30/2021	Implementation Progress	MS	MU
Grant Amount: TF A7474 TF A7475	USD10,200,000 USD 4,800,000	Monitoring & Evaluation	MS	MS
		Project Management	MS	MS
Amount Disbursed (As at May 15, 2020) (13.1% of committed amount)	USD 1,969,594	Procurement	MU	MU
		Financial Management	S	S
		Counterpart Funding	S	S
Ratings: HS=Highly Satisfactory; S=Satisfactory; MS = Moderately Satisfactory; MU = Moderately Unsatisfactory; U=Unsatisfactory; HU=Highly Unsatisfactory				

Component 1: Strengthening Public Expenditures and Revenue Management in Federal, Provincial and Local Governments (US\$ 7 million)

3. **Medium Term Expenditure Framework (MTEF):** Model MTEF guidelines have been prepared for provinces and local governments and some training conducted. This has prompted the need for a more in depth and comprehensive manual to guide the MTEF preparation process, as well as Terms of References (TORs) for related Information Technology (IT) solutions that would facilitate integration with the Line Ministry Budget Information System (LMBIS). There is also the need to strengthen the existing fiscal forecasting model as well as a robust project inventory that will feed into the MTEF process. The National Planning Commission (NPC) reported that the process to hire the MTEF consultants is underway. The NPC will furnish the Bank with the updated progress in terms of date when the Expression of Interest (EOI) was released and current progress in reviewing proposals. The TORs of the MTEF consultant will cover all three tiers of government and include the mechanism for coordination of MTEF activities across government. NPC will initiate the process for hiring a consultant to support development/implementation of an IT solution for the MTEF preparation process. Work to the development of a fiscal forecasting model will require close collaboration with Nepal Rastra Bank, Ministry of Finance, and Central Bureau of Statistics, and will be possible only in the medium to long term only after the MTEF guidelines and IT solutions for preparing the MTEF are completed. Regarding the project bank, NPC will provide TORs for two more sectors: Agriculture and Public Private Partnership Project by **July 31, 2020**. The hiring of consultants to develop guidelines for five sectors – Energy, Urban Development, Irrigation, Transport and Social Sector -is expected to be completed as soon as the lockdown is lifted.

4. **Revenue Administration:** The Ministry of Finance (MOF) Revenue Management Division wants to strengthen its revenue forecasting module. A TOR for this activity will be shared with the Bank team by **June 15, 2020**. A comparative study of Double Tax Agreements (DTA) has also been completed and there are plans to develop an Action Plan to implement the recommendations. Finally, the Revenue Management Division plans to discuss a draft proposal for several capacity building activities with the PEFA Secretariat for inclusion in the project budget for next Fiscal Year (FY 2020/21).

5. **Just-in-time support for improving provincial/local government (P/LG) public financial management:** The COVID-19 pandemic has revealed weaknesses in the public sector readiness to continue business in times of emergency. Besides the inability to fully use Computerized Government Accounting System (CGAS) to remotely process and document accounting transactions, the absence of a coherent emergency response plan, emergency communication plan, disaster recovery plan and a business continuity plan might have impacted government operations during the COVID-19 lockdown. The Government has initiated measures towards the development of Information, Communication and Technology (ICT) infrastructure, including the creation of data centers and communications plan aimed at enhancing business continuity at federal, provincial and local levels. To ensure better preparation for future emergencies, the Project will provide support to the federal, provincial and local governments to develop comprehensive business continuity plans, building on these initial measures. Each tier of government will be supported to develop their own plan, guided by the national business continuity framework. This work will require a high

level of effort and coordination to ensure complementarities across the three tiers of government, and alignment with broader strategic priorities of government during emergencies. The PEFA Secretariat will (i) develop the TOR for coordinating and overseeing the development of the national business continuity framework and plans for federal, as well as model plans for provincial and local governments by **August 30, 2020**; and (ii) work with the PFM Steering Committee to ensure the plans for federal, and model plans for provincial and local governments are developed by **October 31, 2020**.

6. **Upgrade of Legacy Systems:** CGAS and the Electronic Funds Transfer (EFT) system upgrades are currently ongoing. The operational aspects of the upgrades are at testing phase, whereas the ministry and department roll out is yet to start. The Reimbursement Management Information System (REMIS) that tracks the funds and expenditure to be reimbursed under donor financed projects is also to be developed and rolled out to implementing entities. FCGO has planned to use upgraded CGAS in all paying offices of the Federal and Provincial Governments and hence the need to enhance CGAS and EFT to meet the various business requirements, pending the development of the interim IFMIS solution. Besides, certain securities vulnerabilities were identified in the recent Servers Assessment conducted on federal systems. The security gaps are also being mitigated through the ongoing upgrades. The upgrades are expected to be completed by **June 30, 2020**. The Team was informed that other development partners are funding upgrades of several legacy systems as well. While there are immediate needs for these upgrades, the Bank team strongly urged the FCGO and the PEFA Secretariat to focus on developing the interim Integrated Financial Management Information System (IFMIS) solution as the way forward. While maintenance of the legacy systems is needed to support current operations, further investments in such upgrades should be kept to the minimum since most of the systems are obsolete. Furthermore, addressing the severe security vulnerabilities in the long run is a key concern that is not fully addressed by the ad hoc maintenance being carried out.

7. **Integrated Financial Management Information Systems (IFMIS):** PricewaterhouseCoopers LLP (PwC), India has completed the diagnostic phase of the IFMIS study and has shared the report with the government and development partners (DPs). The Bank team and MDTF DPs provided extensive comments on the diagnostic report. Overall, the assessment revealed significant technical, security and functional deficiencies in the legacy FMIS systems that require urgent attention. The systems are significantly fragmented, and in most cases have obsolete software and architecture. The PEFA Secretariat is holding internal consultations with stakeholders on the findings and plans to engage PwC on the next steps for developing the requirements for an interim IFMIS solution by **July 31, 2020**. The scope and the roadmap for developing the interim solution will be agreed in the discussions with PwC. A comprehensive IFMIS is expected to be developed as a long-term solution but such a system may not be implemented in the lifetime of the IPFMRP. These are priority activities that the Bank team will continue to actively follow and be engaged in.

8. **Strengthening fiscal reporting and controls:** For the second successive year, the FCGO has prepared Nepal Public Sector Accounting Standards (NPSAS)-based consolidated financial statements for federal and provincial levels. The FY2018/19 report will be shared with the OAG by **May 31, 2020** for external auditing. FCGO aims to consolidate NPSAS-based Financial Statements involving the three tiers of government for next fiscal year.

9. **Internal Audit and Internal Controls:** The hiring of a consulting firm to develop internal control guidelines for federal and model internal control guidelines for provincial governments is at negotiation stage and expected to be completed right after the lockdown. The Bank has also cleared TORs prepared by the Ministry of Federal Affairs and General Administration (MOFAGA) to develop internal control guidelines for local governments. The TOR needs to be entered in the Bank's system of Systematic Tracking of Exchanges in Procurement (STEP) system and an Expression of Interest (EOI) is expected to be issued by **May 31, 2020**. It was agreed with both FCGO and MOFAGA respectively to incorporate in the respective internal control guidelines, the risks associated with COVID-19 and similar emergency situations as well as required controls to address them.

10. **Nepal Financial Reporting Standards (NFRS):** In terms of conducting the gap analysis of State-Owned Enterprises (SOEs) for NFRS compliance, it was agreed with Institute of Chartered Accountants of Nepal (ICAN) to identify interested SOEs, in coordination with PEFA Secretariat. It was suggested to consider a reasonable sample of various types of SOEs for the gap analysis. Based on determination of the sample size, ICAN will submit a revised ToR for the gap analysis in STEP by **June 30, 2020**. It was also

agreed with ICAN to share a program description for NFRS dissemination and orientation for SOEs by **May 30, 2020** having incorporated the possibility of virtual programs to the extent possible given the COVID-19 emergency.

11. **Accountancy Curriculum of Universities:** The goal of this activity is to strengthen the Accountancy curriculum of Universities to close the gap between the curriculum of universities and financial reporting standards /auditing standards currently in effect. Thus, it was agreed that ICAN share the report of the University Accountancy curriculum integration Working Group by **June 30, 2020**.

12. **Utilization of partly qualified ICAN students:** This activity also seeks to provide a pathway for the recognition of Students who have passed Chartered Accountancy Professional – II (CAP – II) from ICAN by the Public and Private Sector. In addition to regular management faculty graduates (MBS,MBA,BBA,BBS etc.), these partly qualified students having completed CAP – II and their three years full time on the job training (Articleship Training) but yet to pass the ICAN final exams after many attempts can also be utilized in three tiers of Government and Private Sector too. A concept note regarding utilization of partly qualified students in the public and private sector- three tiers of Government and private offices- was agreed to be shared by June 30, 2020.

13. **PFM Capacity Building:** The activities to be undertaken here will primarily be driven by the findings and recommendations of the Training Needs Assessment (TNA). The Request for Proposal (RFP) for the TNA was issued but the consultants were not able to submit the technical and financial proposals due to the COVID -19 lockdown. The proposals will be received after the lockdown and the procurement process expedited thereafter. TNA has been delayed as the Government cancelled procurement process under Consultant Qualification Selection (CQS) method mid-way and decided to move ahead with Quality and Cost Based Selection (QCBS) process instead. The Team reiterated the need to coordinate and synergize the TNA work with Provincial and Local Governance Support Program (PLGSP).

14. **Public Accounts Committee (PAC):** The TOR for the consultancy to support the Federal and Provincial PACs' capacity strengthening has been cleared by the Bank and it has been agreed to hire the consultant by **August 15, 2020**. It was also agreed that the PAC, in consultation with IT Officials at FCGO, revise the scope of the proposed PAC Management Information System (MIS) TOR to make it more realistic, and share it with the Bank by **May 30, 2020**.

Component 2: Strengthening the Office of the Auditor General (US\$4 million)

15. **Support to Audit Planning :** Implementation of the Ernst and Young LLP, India (E&Y) consultancy is underway. The Bank team has provided comments on the diagnostic report that was issued. Discussions are ongoing to start the development of functional and technical requirements of a modern Nepal Audit Monitoring System (NAMS) that is fully compliant with the International Standards for Supreme Audit Institutions (ISSAI) for all the categories of audit. Learning from the COVID-19 lockdown experience, where the OAG could not conduct field audit work, the Bank team opined that the new NAMS should address the business continuity needs of the OAG in terms of its ability to conduct audit remotely, conduct disaster audits as well as obtain electronic supporting documents from the future IFMIS to be developed. OAG will liaise with the PEFA Secretariat to provide inputs to the requirements for the reporting IFMIS and the transactional IFMIS to help enable remote auditing. It was also agreed with OAG to incorporate the needs of federal and sub-national Public Accounts Committees requirements in NAMS as feasible. NAMS is expected to be pilot tested in October 2020. Furthermore, a risk-based audit framework has been prepared and Citizen Participatory Audit (CPA) guidelines updated under the E&Y contract. These are under review by the Bank. It was agreed that OAG will share the list of all the audit manuals that are being updated under the E&Y consultancy and their completion timelines with the Bank by **May 31, 2020** to help with tracking progress. OAG will conduct a Supreme Audit Institutions Performance Measurement Framework (SAI PMF) assessment by **November 30, 2020**. As the E & Y consultancy was contracted for USD 1.5 million, it was agreed with OAG to propose the activities for utilizing the balance of funds for the component by **May 31, 2020**.

16. **Citizen Participatory Audit (CPA):** There was a substantial increase in the number of Civil Society Organizations (CSOs) engagement in the audit process under the review period. In view of the high level of effort involved in the CPA work, OAG informed that the main challenge for mainstreaming CPA is lack of incentives to attract CSOs. Most local CSOs are not well resourced to take on the CPA tasks. It was agreed that OAG will explore ways to attract CSOs interest and participation in the CPA program. It was also agreed that simplification of the CPA procedures in the guidelines will contribute to more effective CPA process. OAG has agreed to incorporate the Banks' comments on the CPA guidelines.

17. **Training and Capacity Building:** It was noted that the Organization and Management Survey has been completed for Provincial OAG Satellite offices. Upon approval of the same by the Council of Ministers, the Provincial Offices plan to operationalize it in FY2020/21. The Project can provide any required support for operationalization at the Offices. A comprehensive Training Needs Assessment (TNA) for OAG will be carried out under the E&Y consultancy. In the meantime, OAG agreed to share its short-term training requirements by **May 31, 2020**. Considering the COVID situation, it was agreed with OAG to incorporate virtual training to the extent possible in the training plan to ensure capacity building efforts are not disrupted.

Component 3: Public Procurement Improvement (US\$ 4 million)

18. **Public Procurement Governance and Oversight:** Except for the award of the ITC/ILO contract, there has been limited progress since the last review. In addition to the absence of a Lead Project Management Consultant and a Procurement consultant, frequent staff transfers have impeded the PPMO's capacity to plan, execute, and implement activities. Development of Standard Bidding Documents (SBDs) of Design and Build, framework contract, Engineering Procurement Construction (EPC)/turn-key contract, etc. along with sectoral technical notes/guidelines that are necessary for creating a sound procurement public environment as per the second amendment of Public Procurement Act. 2006 (PPR) are also delayed. Similarly, there is limited progress on the preparation of basic procurement documents at the sub-national level. The Bank team requested PPMO to review the subnational procurement capacity needs and submit a detailed training plan of category "C" training/workshop for the Bank's consideration by **May 31, 2020**. Furthermore, the Team urged PPMO to hire two individual consultants (Lead Project Management & Procurement) by **June 30, 2020**. The WB team highlighted the need for PPMO to accelerate pace of implementation, otherwise the resources earmarked for procurement strengthening may have to be reallocated to other priorities.

19. **Procurement Capacity Development and Professionalization:** Following the signing of the contract with ITC/ILO: (a) seven PPMO and Key Sector Agencies (KSA) key officials have successfully attended training at ITC-ILO, Italy; (b) about 119 KSAs officials have successfully taken training (56 in two sessions of B2 and 63 in two sessions of B3 courses); (c) the first phase of screening of the pool of trainers have been submitted to PPMO for approval². and d) Accreditation process is in progress³. To the proposal submitted by ITC-ILO to shift training online due to the COVID-19 restrictions, PPMO's initial response was that it preferred face-to-face training only. However, since several modules of the training can be successfully carried out online and the length of the COVID-19 lockdown is uncertain, the Bank team strongly advised the PPMO to consider the online option for various training to be conducted by ITC-ILO. In addition, PPMO was urged to explore the Chartered Institute of Procurement & Supply (CIPS), an on-line training to help strengthen the procurement capacity of KSAs.

20. **Performance Monitoring with e-GP Platform:** It was agreed that PPMO will finalize the TOR for the selection of a firm to undertake the e-GP system gap analysis by **May 31, 2020**. Since this activity has been significantly delayed, the Bank team urged PPMO to expedite the firm selection to avoid further slippages of agreed timeline.

Component 4: PFM Reform Management and Coordination

21. **Program Management:** The PEFA Secretariat continues to be under enormous stress in coordinating, aligning and providing support to the nine implementing entities of the Project. The monthly

² Initiation of the second and final selection of trainers has been delayed due to delayed approval of the first list submitted to PPMO by ITC-ILO,

³ ITC-ILO has submitted proposal to PPMO for approval

status meeting to discuss implementation progress instituted since the last review is ongoing. However, as observed in the last review, the implementation of federalism has introduced additional complexities in the scope and content of the reform at the three tiers of government. As a result, the Secretariat's capacity to coordinate the PFM program at all tiers of government and to provide hands-on support with respect to procurement to implementing entities needs to be adequately strengthened.

22. **PFM Reform Strategy:** There has been no progress since the last review. The Team emphasized the need to update the current PFM Strategy since it does not reflect the current realities of federalism in Nepal. The PEFA Secretariat has asked for time to consult within the MoF and to provide an update on when work will start. It was agreed that the revised strategy will be completed by **November 30, 2020**. Also, even though agreed in the last review, the mapping of all the development partner PFM reforms support has not been carried out. It was agreed that the PEFA Secretariat will work with the International Economic Cooperation Coordination Division (IECCD) of MOF to map all development partner support on PFM in Nepal. The revised timeline for completing the mapping is **August 30, 2020**.

23. **Change Management:** A coordinated change management approach to the reform process is still lacking. In this regard, the Bank team recommends the following: (a) develop a PEFA communication plan that can include quick wins such as a newsletter that shares emerging progress against a larger theory of change to help raise the profile of the reform work and the secretariat's role and; (b) basic training on change management tools for PEFA Secretariat staff that can be applied with implementing agencies including a 'force field analysis' exercise that helps unpack and address challenges and leverage implementation drivers; The Bank team will provide technical support and guidance to the Secretariat in fulfilling these recommendations, as necessary.

24. **Citizen's Engagement (CE):** The PEFA Secretariat has agreed to hire a local consultant to support the preparation of CE strategy for PFM. The consultant will work closely with the World Bank to ensure that the relevant good practices from other countries are captured in the strategy. The EoI for the consultant has been agreed to be issued by **June 15, 2020**.

25. **Gender Responsive Budgeting:** Considering the capacity constraints of the provincial and local government level to implement the guidelines issued by MOF, it was proposed to MOF that simplified templates be prepared to encourage P/LGs to implement Gender Responsive Budgeting. Feedback on this is expected by **June 15, 2020**.

26. **Consultation with Development Partners:** MDTF Development Partner meeting was organized to update all DPs on the implementation status of the Project. PFM MDTF is also organizing a Program Coordination Committee (PCC meeting) in June after the budget announcement to discuss overall PFM agenda in the context of COVID-19 as well as the federalism transition.

27. In the wrap up meeting, the Finance Secretary emphasized the need of support on fiscal policy through fiscal federalism. He mentioned that PFM remains a top priority of the Government and thanked the PEFA Secretariat and Bank team for their dedication in carrying out the virtual review. In the same meeting, MoF Joint Secretary Mr. Shreekrishna Nepal talked about the need for closing date extension of the Project and the scope for additional financing in relevant emerging areas.

FIDUCIARY COMPLIANCE

28. **Procurement Performance:** Among 65 active procurement activities of the project, only four contracts are signed, 47 activities are flagged as pending implementation that means procurement process was not started at all after approval of the activities, 13 activities are in process and are yet to be completed and one activity is inactive that requires revision to resubmit to the Bank for approval. The Bank team reiterated the importance of implementing all procurement activities in the approved Procurement Plan (PP) on the STEP system as per the agreed timelines. Please refer to Annex for details. Considering the overall performance and progress of the three key activities relative to the delays in other important activities, the procurement rating is retained as "Moderately Unsatisfactory".

29. **Financial Management (FM) Performance:** The Interim Unaudited Financial Reports (IUFs) due during the review period and the Audited Financial Statements for FY 2018/19 were timely received and deemed satisfactory. The overall financial management arrangements including the use of CGAS as the system for accounting and financial reporting continue to be acceptable. The access to FMIS of all implementing agencies has been obtained by PEFA Secretariat to ensure real time reporting. TSA and CGAS are also being upgraded for activity-wise accounting from next FY. See Annex 2 for recommendations for improvements in the IUFs and the financial statements. The FM rating is “Satisfactory”.

30. **Disbursement:** As of May 15, 2020, the total disbursement is USD 1.97 million (13.1% of USD 15 million) which includes advance to Designated Account of USD 1 million. The disbursement forecast for FY20 is USD 2.3 million and the disbursement projection for next FY21 is USD 10.87 million.

SAFEGUARD MANAGEMENT

31. **Environmental and Social Safeguards:** The Project is a category C and does not trigger any environment safeguards actions. There are no issues related to social safeguards as OP 4.12 on resettlement and land acquisition has not been triggered.

NEXT REVIEW:

32. The next review is tentatively agreed to take place in November 2020. This will be a mid-term review.

Annex 1: List of Persons Met

Ministry of Finance

1. Mr. Shishir Kumar Dhungana, Secretary
2. Mr. Shreekrishna Nepal, Joint Secretary, IECCD
3. Mr. Yagya Prasad Dhungel, Joint Secretary, Revenue Management Division
4. Mr. Prem Upadhyay, Under Secretary, IECCD

Financial Comptroller General Office

5. Mr. Gopi Nath Mainali, Financial Comptroller General
6. Mr. Ramesh Prasad Shiwakoti, Joint Financial Comptroller General
7. Mr. Dilaram Giri, Deputy Financial Comptroller General
8. Mr. Prakash Pudasaini, Deputy Financial Comptroller General
9. Mr. Niraj K.C., Deputy Financial Comptroller General
10. Mr. Sansar Dewan, IT Director

PEFA Secretariat

11. Mr. Ramesh Prasad Shiwakoti, Coordinator
12. Mr. Mun Kumar K.C., Member Secretary
13. Mr. Rajendra Bajracharya, Consultant

Office of the Auditor General

14. Mr. Ramu Dotel, Deputy Auditor General
15. Mr. Ghanshyam Parajuli, Project Director

Public Procurement Monitoring Office (PPMO)

16. Mr. Mohan Krishna Sapkota, Secretary
17. Mr. Yagya Raj Koirala, Joint Secretary
18. Mr. Mukesh Regmi, IT Director

National Planning Commission

19. Mr. Khom Raj Koirala, Joint Secretary
20. Mr. Biju Kumar Shrestha, Joint Secretary
21. Mr. Diwakar Kuitel, Under Secretary
22. Mr. Dilip Raj Bhatta, Consultant

Institute of Chartered Accountants Nepal (ICAN)

23. Mr. Sanjay Kumar Sinha, Executive Director
24. Mr. Ghanshyam Kafle, Deputy Director

Public Accounts Committee

25. Mr. Rojnath Pandey, Secretary of PAC Secretariat
26. Mr. Ramhari Thapa, Under Secretary

Annex 2: Progress Reporting on Various Activities

Change Management

The focus of implementing agencies and PEFA secretariat is on a set of activities and insufficiently positioned as part of an overarching PFM ambition or vision in the context of the federalism process and with clear linkages to improved service delivery to citizens. Having a more explicit and overarching 'Theory of Change' (ToC) for PFM reform and its various dimensions in Nepal would help both implementing agencies as well as development partners in aligning support efforts and creating synergies compared to different smaller projects with separate results frameworks. It is suggested that the mapping of donor programs is updated, and a broader ToC is discussed with PEFA secretariat within the next three months.

The coordinating role of PEFA Secretariat is not an easy one to fulfill effectively. While technically skilled, they have limited experience with change management and providing specific guidance to implementing agencies on overcoming challenges and leveraging successes. Furthermore, the Secretariat does not have the high profile it deserves as national coordinator and would benefit from both better PR/Communications as well as a stronger explicit profile as part of the Ministry of Finance. The following activities are recommended: a) to develop a PEFA communication plan that can include quick wins such as a newsletter that shares emerging progress against a larger theory of change to help raise the profile of the reform work and the secretariat's role and; b) basic training on change management tools for PEFA secretariat staff that can be applied with implementing agencies including a 'force field analysis' exercise that helps unpack and address challenges and leverage implementation drivers. For adaptive/more complicated challenges in implementation specific task teams may be considered that cut across agencies; .The Bank team will provide technical support and guidance to the secretariat in fulfilling these recommendations, where necessary.

The federalism context provides challenges but can - in contrast - be emphasized much more as opportunity to work differently and better across government levels. An example of this is that at the federal level there is at times hesitation to produce 'guidelines' for the local levels, as these would be prescriptive, while at the same time such guidance is much needed. Another way of expediting such guidance is to tap into, and recognize, emerging good practices at the local levels as part of the guidance materials, therefore putting less emphasis on being prescriptive and more emphasis on leveraging collective expertise. When this is done in a dynamic manner (rather than one off guidelines) it can start functioning as a learning system and center of excellence.

Training efforts take place at multiple levels and led by different agencies to help implement reform activities and strengthen capabilities. The TNA that is starting, together with the competency framework will create a more coherent view of what is needed but may not fully address issues of quality assurance of coordination and evaluation of training efforts. Guidance on how to effectively organize and design PFM related trainings and evaluate its effectiveness would increase impact of country-wide efforts. PEFA Secretariat does not necessarily need to lead such efforts but could play a key role as a coordinator in the larger reform aligning with training agencies and with support of MoF. A similar logic applies to research and the PFM research agenda for Nepal to increase coordination, the quality and joint agenda setting for PFM priorities.

Revenue Management

The planned assessment of tax administration systems under TA support provided by Norway has yet to be conducted. This Project if required can support this assessment. Therefore, the Bank team will continue to monitor progress on the planned assessment with the Inland Revenue Department. The Bank team clarified that while the study will inform the specific areas for systems improvement, the current project design does not include in-depth support to federal revenue management. At the subnational level however, support could be provided under the Project to scale up the assessment of sub-national governments' (SNGs) revenue potential and/or support, on a pilot basis, the implementation of the recommendations of the SNGs assessments planned to be conducted under the Bank's Revenue Potential and Expenditure Needs Assessment.

Just-in-time support for improving SNG public financial management

To ensure coordination and synergy among capacity building initiatives of various implementing agencies (IA), it was agreed that each IA share their training plan with the Bank team by October 30. The Team was informed that SuTRA had been rolled out to 700 local governments and a complete roll out to all SNGs is expected by the end of this fiscal year. While SuTRA's implementations is not earmarked for support under this Project, due to its impact on some of the project's outcomes – for example with respect to preparing financial reports involving all tiers of government- the Bank team will continue to monitor its implementation progress.

Accountancy Curriculum of Universities

Since the last review, ICAN has held a stakeholder workshop with Universities in Nepal on strengthening the accountancy curriculum at these institutions. A working group consisting of leaders in Academia and the ICAN is working on an integrated curriculum. A draft report is expected by the end of December 2019. Related to this, ICAN informed that it has had discussions with the MOF on certification of students who have passed some levels of the Chartered Accountancy (CA) exams but are taking much longer time to pass all the levels of the exams. In addition to supporting public sector accountants, this initiative aims to recognize the efforts of students who have undergone three years of full time Articleship training and have completed chartered accountancy professional – II (CAP – II) level and/or partly at the final level of the CA examination. It was agreed that (i) ICAN share the concept note regarding utilization of these partly qualified students in public sector i.e. three tiers of Government by December 31, 2019; (ii) the report of the integrated curriculum working group by January 30, 2020. These activities require close coordination among stakeholders such as Ministry of Finance, the Public Service Commission and Development Partners. ICAN also shared that it has envisioned introducing post qualification courses related to public financial management to help support the development of PFM cadre in Nepal. It has entered into an MoU with the Chartered Institute for Public Finance and Accountancy (CIPFA), UK in this regard. The Team advised ICAN to work closely with the PFM Training Centre of Nepal on this as they are the lead agency for PFM continuing professional training for the government as well as under this project

Training Plans

To enhance coordination and synergy among capacity building initiatives of various implementing agencies (IA), it was agreed that each IA share their training plan with the Bank team by July 31, 2020. In parallel the PEFA secretariat will consolidate the training plans and share the consolidated plan with the Bank by August 30, 2020.

Financial Management

As reported in the management letter issued by the Auditor General along with the audit report for FY 2018/19, the project management has agreed to expedite the physical and financial progress as per the Annual Work Plan and Budget (AWPB). Further, the project management is reminded to incorporate the comments provided by the Bank through its comment letter dated May 4, 2020 provided against the second IUFRR of FY 2019/20 including for preparing separate disbursement letters for TF A7474 and TF A7475. The total expenditures for FY2019/20 as of the second quadrimester NPR 88.57 million (9.1%) of the annual budget NPR 973.7 million. The TF budget expenditure is NPR 72.05 million (7.67%) out of 766.7 million budget for the year. At the tentative exchange rate of NPR 120 to a USD as on May 2020, the financial progress was about 5% in the previous year and the progress cumulative to the second Fiscal Quadrimester 2019/20, is only about 9% in comparison to the project budget. We would like to draw the attention of the project management towards making physical and financial progress tangibly. The financial management performance has been maintained as "Satisfactory".

Status of procurement actions

Among 65 active procurement activities of the project, only four contracts are signed, 47 activities have pending implementation that means procurement process was not started at all after approval of the activities, 13 activities are in process and are yet to be completed and one activity is inactive that requires revision to resubmit to the Bank for approval. Therefore, the pending selection of procurement consultants

for both the agencies should be accomplished without further delays. The Bank team reiterated the importance of implementing all procurement activities in the approved Procurement Plan (PP) on the STEP system as per the agreed timelines. The project's 59 activities possess red flags on the STEP system because those activities are substantially delayed in comparison to agreed timelines on roadmap of the respective activities. The implementing agencies are reminded to update the approved procurement activities in STEP, in the first week of each calendar month by uploading bidding/proposal documents, evaluation reports, contract documents and by revising the dates of those activities that remain to be initiated and/or with red flags. Considering the overall performance and progress status of the two key activities and few other important activities, the procurement rating is retained as "Moderately Unsatisfactory"..

Upgrade of Legacy Systems (Obtained from FCGO)

1. Development & Enhancement of CGAS under IPFMRP

a. Additional Functional Features

- i. Budget Authorization Accounting (Virement, Addition, Deduction, Source Differentiation), TSA as data source
- ii. Inter-Governmental Authorization from Federal to Sub-National (Province & local Governments) and Vice-versa & Expenditure Accounting
- iii. Activity Based Accounting based on LMBIS Activities
- iv. Deposit Accounting
- v. Miscellaneous Account (Group of Kha 6 Accounts & other fund accounts)
- vi. Central Reporting for Departments and Ministries of both Federal and Provinces.
- vii. NPSAS Based Reporting of paying office (but not for Consolidated report at Ministry & Department levels)
- viii. Contract management – contract data sheet including bank guarantees, contingencies record
- ix. Integration with TSA, RMIS, IRD and develop web services for Employees Provident Fund and Citizen Investment Trust.
- x. Program & Progress Report based on FAR (Financial Administrative Rules 2064- Annex 1 &2)
- xi. All accounting and reporting should be as per New OAG Forms
- xii. Project accounting reports to PCU (Project Co-ordinating Unit) and PCT (Project Co-ordinating Team).

b. Non Functional Features

- i. SOA, Standard Web Services & Data Exchange for integration with other systems- EFT, TSA
- ii. Dashboard visualization for supervision and monitoring, User & Role management
- iii. Application should be scalable and handle at least 10,000 users
- iv. Implement standard security framework - Spring Security, OAuth 2.0, and support for Single Sign On, API Management, PKI
- v. Parameter driven, no browser dependency, robust reporting
- vi. Appropriate Log Management - Audit logs and Audit trails
- vii. Ensure reliability, maintainability and availability - Support load balancing, DR backup and replication
- viii. Data migration from existing systems

c. 3 months of development time and Unpaid Extension of 1.5 months just before COVID-19 Lockdown

2. Development & Enhancement of EFT under IPFMRP

a. Functional Features

Develop the functional features that needs to be included:

- Integration of National e-Payment Gateway (NPG)
 - o Analysis of National e-Payment Gateway Architecture and prepare NPG integration plan
 - o Integration of NPG transaction APIs
 - o Integration of NPG transaction status APIs
 - o Integration of NPG reporting APIs
 - o Develop necessary user interfaces

- Integration with NCHL- National Payment Interface (NPI)
 - o Analysis of National Payment Gateway Architecture and prepare NPI integration plan
 - o Integration of NPI transaction APIs
 - o Integration of NPI transaction status APIs
 - o Integration of NPI reporting APIs
 - o Account Validation API
 - o Develop necessary user interfaces
 - Integration with Real Time Gross Settlement (RTGS)
 - o Analysis of Real Time Gross Settlement Architecture and prepare RTGS integration plan
 - o Integration of RTGS transaction APIs
 - o Integration of RTGS transaction status APIs
 - o Integration of RTGS reporting APIs
 - o Develop necessary user interfaces
 - Develop Standard Payment Interface Specification which would enable and create a benchmark for API and other standardization enabling other payment gateways for integration to our system.
 - Develop common User Control Management
 - Develop common reporting module for
 - o Successful transactions
 - o Pending transactions
 - o Rejected transactions
 - o Others as required and requested.
 - All the above-mentioned payment gateways should be managed in such a way that user can choose any payment option while doing the EFT.
 - Provision for integrating with Digital Signature
 - Develop and enhancement of application/communication security architecture of the EFT to develop eco-system of trusted system
 - o Authentication, authorization, Audit, assurance, Availability, Asset protection, Administration and Risk management of EFT
 - o Artifacts regarding codified government payment data/information asset ownership and custody
 - o Scoping on entire FCGO enterprise organizational units impacted by the security architecture
 - o Satisfy the security stakeholders that the end-state does not represent any unknown or unacceptable risk and aligns with corporate policies, standards, and principles
 - o Satisfy business stakeholders – that the Security Architecture is instrumental in enabling and supporting the overall architecture required to deliver the business opportunities and benefits identified with the right balance compliance, and business benefits
 - o Development of Trust-management model for integration with third party service providers.
- b. Non-functional features
- SOA, Standard Web Services & Data Exchange for integration with other systems- NPG, NCHL NPI & NRB's RTGS and develop Standard Payment Interface.
 - Dashboard visualization for supervision and monitoring, User & Role management
 - Application should be scalable and handle at least 10,000 users
 - Implement standard security framework - Spring Security, OAuth 2.0, and support for Single Sign On, API Management, PKI
 - Parameter driven, no browser dependency, robust reporting
 - Appropriate Log Management - Audit logs and Audit trails
 - Ensure reliability, maintainability and availability - Support load balancing, DR backup and replication
- c. Vendor onboard, contract sign-off just a day before COVID-19 Lockdown.

3. Enhancement of RMIS under USAID- PFM RP
 - a. Enhancement of RMIS to National Revenue Platform with extended support to State Governments and interface Revenue Collecting Agencies (RCAs)
 - b. Develop and enhancement of application/communication security architecture of the RMIS to develop eco-system of trusted system.
 - c. Integrate with digital wallets, National e-Payment Gateway, Cards, Nepal Rastra Bank (NRB) System RTGS (Real Time Gross Settlement), SIS
 - d. Implement Candidate e-payment architecture & solutions.
4. Development and Integration of LMBIS & TSA under PFM SP
 - a. Candidate integration implemented
 - b. Ongoing
 - i. Platform upgrade
 - ii. Integration architecture
5. Establishment of Seven Regional Support Centers under IPFM RP
 - a. Tender awarded for Procurement of IT equipment – Desktops (125), Laptops (12), Printers (7) and switches (10)
 - b. Support Engineers TOR forwarded to PLGSP
6. Establishment of Data Recovery Center for Business Continuity under PLGSP
 - a. Tender published
 - i. Replacement of EOL RISC Servers
 - ii. Real Application Cluster & Active Data Guard Implementation for Database High Availability, Fault Tolerance and real time Replication
 - iii. Restructuring of network & network devices for DR capability & infrastructure security
 - iv. Backup Solution
 - v. Storages
 - vi. Data Center Virtualization
 - vii. Software defined disaster recovery Solution
 - viii. Network Virtualization
7. Security under IPFM RP
 - a. Safe End User awareness sessions in PFM trainings
 - b. Active Directory Implementation
 - c. In built security of CGAS, EFT & RMIS as important non-functional feature to support
 - i. Single Sign-On Service,
 - ii. PKI Service,
 - iii. API Life Cycle Management/API Gateways service- API Access Control & API security
 - d. Information Security Consult

Annex 3: Agreed Actions

S.N.	Actions Agreed	Agreed Timeline in Last Review	Status During Current Review	New Milestones Agreed in Current Review
Component 1. Strengthening Public Expenditure and Revenue Management in Federal and Subnational Governments				
National Planning Commission (NPC)				
1.	a. Finalize TOR for consultancy to strengthen the MTEF related activities	November 15, 2018	TORs prepared by NPC and commented on by the Bank	EOI issued Complete selection of consultant by June 30, 2020
	b. Recruit consultant with expertise to support MTEF guidelines update and preparation of MTEF Manual	December 31, 2019		
2.	a. Finalize TORs for IT solution for MTEF preparation process		TORs prepared by NPC and commented on by the Bank	EOI issued. Complete selection of consultant by August 31, 2020
	b. Hire short term consultant to document MTEF business process and requirements	February 15, 2019		
3.	Share TORs for developing Project Bank guidelines with the Bank Team	October 30, 2019	5 Sector TORs cleared by the Bank	Enter in STEP and issue RFP as soon as lockdown is lifted Share TOR for Bank clearance by July 31, 2020.
	Share TORs for two sectors left;		New activity	
4.	Develop and share with the Bank Team TORs for developing robust macro-fiscal modeling		Require further discussion with stakeholders such MOF before moving forward	
Ministry of Finance (Revenue)				
5.	Share TOR for Revenue Forecasting Model strengthening		New Activity	June 15, 2020
6.	Develop guidelines for Gender Responsive Budgeting at Subnational Level build on guidelines developed for Provinces			Provide feedback to Bank on proposal for support by June 15, 2020

S.N.	Actions Agreed	Agreed Timeline in Last Review	Status During Current Review	New Milestones Agreed in Current Review
Financial Comptroller General Office (FCGO)				
7.	Learn from one relevant country where successful internal controls have been implemented in a federal context	November 30, 2019	To be rescheduled after COVID	
8.	Issue RFP for hiring consultants for NPSAS implementation	April 15, 2019	RFP was issued but the procurement was cancelled. For FY 2018/19, four individual consultants was hired for preparing NPSAS based Financial Statements (Federal and provinces).	(a) EOI will be issued to hire a consulting firm for next FY 2019/20. (b) Hire local firm by October 30, 2020
9.	Prepare ToR for consultants for Internal Control manuals		Hire of firm at Negotiation stage.	Complete negotiations and bring firm on board as soon as COVID-19 lockdown is lifted.
10.	Conduct PFM training workshops in all provinces to meet urgent needs of SNGs			After Covid-19 lockdown is lifted
11.	Hire Consultant to Prepare Internal Audit Manuals		IA standards prepared and under review	October 30, 2020
Ministry of Federal Affairs and General Administration (MOFAGA)				
12.	Prepare ToR for consultants for Internal Control guidelines for local governments		.	(a) Enter ToR cleared by the Bank in STEP and issue EOI by May 31, 2020
Institute of Chartered Accountants Nepal (ICAN)				
13.	NFRS Gap analysis for SOEs		.	Enter TORs in STEP and issue EOI by June 30, 2020.
14.	Utilization of Partly Qualified Accountants in the public sector		December 31, 2019	Share Concept note regarding utilization of partly qualified students in public financial management sector i.e. three tiers of government. – June 30, 2020
15.	Share Universities Accountancy Curriculum Integration report		December 31, 2019	June 30, 2020

S.N.	Actions Agreed	Agreed Timeline in Last Review	Status During Current Review	New Milestones Agreed in Current Review
Public Accounts Committee (PAC)				
16.	Finalize TORs and share for capacity building support		TOR approved by Bank	Enter TOR in STEP and issue EOI by July 15, 2020
17.	Update the PAC MIS TOR taking into account Bank comments and inputs from IT personal at PEFA Secretariat			Resubmit TOR by June 15, 2020
Component 2: Strengthening the Office of the Auditor General				
Office of the Auditor General (OAG)				
18.	Develop functional and technical requirements for NAMS			June 30, 2020
19.	Pilot NAMS			Oct 31, 2020
20.	Undertake SAI PMF		Undertake an independent SAI PMF	Nov 30, 2020
21.	Finalize all manuals preparation			June 30, 2020
22.	Training Plan for immediate training for this FY	March 15, 2019	Delayed	Nov 30, 2020
Component 3: Improving Public Procurement				
Public Procurement Monitoring Office (PPMO)				
23.	Complete at least (i) two main procurement training course on goods/works/services, and (ii) one course on procurement management			Done
24.	Respond to ICT/ILO proposal for online training			May 31, 2020
25.	Make on-board the Lead Project Management Consultant (LPMS) and Procurement Specialist (PS)	December 31, 2019		June 30, 2020
26.	Assess SNG procurement capacity needs			June 30, 2020

S.N.	Actions Agreed	Agreed Timeline in Last Review	Status During Current Review	New Milestones Agreed in Current Review
27.	Develop basic simple procurement documents for SNG level (direct contracting, quotation, national bidding, tool kit/guidelines)	April 15, 2019	Not yet developed; starting	August 31, 2020
28.	Submit to the Bank time-bound Detailed Activity Plan as per agreed format (PEFA) for the three sub-components covering all activities under Component 3	October 31, 2019	Delayed	June 15, 2020
29.	Submit to the Bank time-bound Detailed Training Plan to conduct the agreed 14-types short courses (1-5 days) starting by November 2019 including whether by individual consultants or by firm	October 31, 2019	Delayed	June 15, 2020
30.	Submit to the Bank the TOR for e-GP system enhancement including identification of existing gaps	December 31, 2019	Delayed	May 31, 2019
31.	Complete the selection of firm for e-GP system enhancement		Delayed	July 31, 2020
Component 4: PFM Reform Management and Coordination				
Public Expenditure and Financial Accountability Secretariat (PEFA Secretariat)				
32.	Develop communication plan with activities to highlight achievement of IPFMRP and showcase best practices	November 30, 2019	Delayed	September 30, 2020
33.	Learn from one relevant country where successful IFMIS have been implemented in a federal context	November 30, 2019	To be rescheduled after COVID	
34.	Develop functional and technical requirements for reporting IFMIS	July 31, 2020	TBA	
35.	Learn from one relevant country on PFM reforms leadership and coordination in a federal context	December 31, 2019	To be rescheduled after COVID	
36.	Re-issue EoI for TNA Hire consultant	October 30, 2019	RFP issued but could not be submitted because of Covid-19, lockdown	RFP will be submitted after the removal of the Covid-19 lockdown.
37.	Undertake basic training on change management		To be rescheduled after COVID	

S.N.	Actions Agreed	Agreed Timeline in Last Review	Status During Current Review	New Milestones Agreed in Current Review
38.	Commence preparatory work for PFM reform Strategy update		Delayed	September 30, 2020
39.	a. Develop TOR for preparing the Citizen engagement strategy b. Hire consultant to support preparation of the citizen engagement strategy			Issue EOI by June 30, 2020 September 31, 2020
40.	Map development partner PFM support in coordination IECCD			August 30, 2020
41.	Develop the terms of reference for coordinating and overseeing the development of the national business continuity framework and plans for federal, as well as model plans for provincial and local governments			August 31, 2020
42.	Ensure the plans on business continuity for federal, and model plans on same for provincial and local governments are developed			October 31, 2020
Each Implementing Agency				
43.	Share training plans of implementing entities			July 30, 2020
Multi Donor Trust Fund Management				
44.	MDTF PCC Meeting			June 2020

Annex 4: Updated Results Framework

Indicator Name	Baseline	Intermediate Targets				End Target	Status as of May 2020
		1	2	3	4		
Strengthening Public Expenditure and Revenue Management in Federal and Subnational Governments							
Credible MTEF in place (Text)	Basic guidelines for MTEF at federal level in place.		MTEF review completed and procedures revamped			Difference between multi-year estimates and subsequent setting of annual budget ceilings are clearly explained.	NPC has developed model guidelines for Planning (incl. MTEF) of Provinces and LGs with GoN regular funds. TOR for MTEF review developed. EOI to be published.
Comprehensive internal control procedures adopted at SNGs. (Text)	a) No coherent internal control framework exists that ensures consistency in these practices across the three tiers of Government;		Approved of internal control procedures comprehensive/consolidated that are adopted (Federal and provincial level –FCGO, Local Governments- MOFAGA)			P/LGs that cumulatively manage 50% of overall SNG budget have their own internal control manual adopted.	General Internal Control Guidelines for three tiers of government developed. Consultant hiring for developing internal control framework for federal and Provincial Governments is at negotiation phase. For local level internal control guidelines, MOFAGA to publish EOI.
IFMIS developed and pilot tested (Text)	Zero Pilots		IFMIS review completed and implementation roadmap developed	Pilot IFMIS designed		2 pilot sites	Diagnostic completed.
Enhancing participation and capacity of technical female staff in trainings/ workshops (Text)	0		20% participation in all PFM trainings	30% participation in all PFM trainings		30%	Till FY 2018/19, 17% female participation rate in trainings achieved out of 3,743 trainings offered. For FY 2019/20, information on trainings could not be collected

Indicator Name	Baseline	Intermediate Targets				End Target	Status as of May 2020
		1	2	3	4		
							because of the COVID-19 Lockdown.
Unified budget guidelines including gender responsive budget processes introduced to SNGs (Text)	No unified budget guidelines including gender responsive budget processes for SNGs		Approval of guidelines by appropriate authority at federal and SNG levels			SNGs that cumulatively manage 50% of overall SNG budget have adopted the unified budgeting guidelines	Simplified template provided to MOF
Component 2. Strengthening the Office of the Auditor General Nepal							
Timely submission of financial audit reports of SNGs to appropriate authorities within legal time frame (Percentage)	0	20	40	60		60	Yet to be tracked OAG to confirm
Number of citizens mobilized and involved in audit process through CSOs of which 50% are female. (Number)	80	150	300	400		400	266 people trained on CPA of which 182 (68%) were CSOs representatives in 5 CPA workshops, among them 44% were female
Effective audit follow-up (Text)	Score of 0 SAI PMF dimension 7 (iii)			Conduct SAI PMF		Score of 2 SAI PMF dimension 7 (iii)	SAI PMF to be conducted in October
Component 3: Public Procurement Improvement							

Indicator Name	Baseline	Intermediate Targets				End Target	Status as of May 2020
		1	2	3	4		
Complaints resolved following an effective complaints handling mechanism in e-GP (Percentage)	0	0	0	30	60	60	consultancy TOR for e-GP system gap identification being prepared and following this, E-GP system enhancement will commence to enable this result to be achieved.
Basic procurement documents and guidelines developed for sub-national government (out of a master list of sub-national level documents to be prepared) (Percentage)	0	0	20	50	80	80	Not done yet Chandra to check with PPMO
Procuring entities of KSAs with at least one certified procurement staff established (As a percentage of the total procuring entities) (Percentage)	10	10	20	60	80	80	ITC/ILO Consultancy underway to carry out these certification trainings. Training has been delayed due to COVID-19
System generated performance reporting prepared for KSAs (Text)	0		Generation of Performance Report for at least 2 KSAs			Generation of Performance Report for KSA's	Once the e-GP consultancies are awarded and work completed, this result will be achieved. TOR is being prepared for the first step of doing a gap analysis in the e-GP system.
Component 4: PFM reform management and coordination							
A citizen's engagement strategy is prepared and implemented as per proposed sequence (Text)	No Strategy exists		Draft Citizen engagement strategy developed for consultations	Citizen engagement strategy developed		Strategy exists and implemented	TOR developed. EOI yet to be published.