



MINUTES
ARTF Incentive Program Working Group Meeting
16th February, 2021

Agenda item #1: 2021 Incentive Program Policy Actions

- **World Bank** presented the current draft policy matrix and asked for any additional comments or feedback from IPWG members.
- **UK** questioned why concrete implementation actions related to contingency fund management had been removed from the latest version of the matrix. World Bank noted that other IPWG members had been reluctant to support repeated incentivization of recent regulatory changes. World Bank explained that the current proposed approach reflected in the draft matrix involves: i) supporting the new PFM reform plan, which will include concrete implementation steps for the new contingency fund regulations; ii) including policy actions for audit of contingency fund reporting in the 2022 operation; and iii) continuing to support implementation of the new regulations, including necessary reporting, through our project and TA engagements. World Bank requested UK to provide any specific suggestions for policy actions for the 2021 matrix that would achieve the desired outcome of improved oversight of contingency fund spending without repeated incentivization of the 2020 reform.
- **UK** questioned why the matrix still did not include proposed actions towards implementation of a National Single Window. The World Bank confirmed that inclusion of actions in this area was under active consideration for the 2022 operation, and proposals were currently being discussed with government.
- **World Bank** confirmed that preparation of the operation remains broadly on-track with the preparation schedule in the shared folder, with: i) World Bank concept review in late March; ii) World Bank management approval in April / May; and iii) World Bank Board approval and ARTF Management Committee approval in late June or early July.
- **IPWG** members agreed that the current draft matrix now reflects a broad consensus document and can serve as the basis for negotiations with government towards a formally agreed matrix.

Agenda item #2: 2021 Incentive Program Results Indicators

- **World Bank** presented the draft results framework for the 2021 Incentive Program DPG (attached), and invited comment.
- **IPWG members** provided a range of suggestions, including: i) expanding PFM reform plan indicators to include revenue performance, budget execution, and reduced discrepancies identified in audits of contingency fund expenditures; ii) revising financial inclusion indicators to reflect the average size of deposits, rather than overall deposit to GDP ratio.
- **World Bank** requested IPWG members to provide any further written comment on the draft results matrix by the 25th February.



Agenda item #3: Update on DAB data sharing issues

- **World Bank** noted that data sharing issues previously discussed with the IPWG during late 2020 have not yet been fully resolved. The World Bank is working to find a solution with DAB. World Bank emphasized that without improved access to financial sector data, disbursements under the Incentive Program would not be able to proceed.