



Tuesday May 11, 2021

Virtual Format

MEETING MINUTES

1. Update on Ministry of Finance processes to support implementation of policy actions.

- **Ministry of Finance** provided an update to the IPWG on processes to coordinate and ensure timely implementation of policy actions supported by the 2021 IP-DPG. These processes will include:
 - Obtaining formal Cabinet endorsement of the full policy matrix once negotiations are complete.
 - Progressing with the establishment of a dedicated unit to monitor, track, coordinate, and support implementation of policy actions (the Policy Action Coordination Team or PACT).
 - Ensuring substantive engagement of Deputy Ministers for both Policy and Finance, and direct engagement of the Minister of Finance when necessary.
- **IPWG members** noted that regular reporting from government on progress against actions to the IPWG would be useful. **World Bank** noted that the policy action monitoring matrix has been developed for the 2021 policy actions, and that a live version of the file will be made constantly available in the shared folder.

IPWG members agreed to include quarterly progress updates from Ministry of Finance on the agenda for IPWG meetings, including briefings from relevant implementing agencies.

2. Briefing on indicative three-year policy reform matrix

- **World Bank** presented the indicative three-year policy reform matrix to the IPWG (attached).
- **World Bank** noted that the actions in the matrix remain purely indicative and have been identified through consultation with World Bank and government technical teams to illustrate a proposed medium-term reform trajectory. Specification of policy actions for the 2022 Incentive Program will begin around August with a workshop discussion among IPWG members, using the indicative matrix as a basis for discussion.

IPWG members are invited to provide any upstream comments on the medium-term matrix. These comments will be used as an input to discussions around the 2022 Policy Matrix during initial discussions in August onwards.

3. Discussion on program flexibility

- **World Bank** presented additions and revisions to the proposal note for introducing flexibility for modification of Tranche Release Conditions. These revisions:
 - Clarified the criteria under which modification of Tranche Release Conditions would be considered.
 - Clarified the allowable number and scope of modifications.
 - Clarified the process through which any such modifications would be achieved.

- **IPWG members** expressed support to the proposal and the revisions included in the document. IPWG members requested further revisions to the document to:
 - Clarify that a change of government policy would not qualify as an acceptable rationale for modification of a Tranche Release Condition.
 - Clarify the role of the ARTF Strategy Group within the process for considering modifications.
 - Specify a final allowable date for modifications to be considered.
 - Strengthen the presentation of the note to clarify the distinction between the modification process and a process for cancellation of the operation.

World Bank will make the requested changes to the note and circulate to IPWG members. IPWG members are invited to provide specific comments on the text of the note, allowing for finalization at the next IPWG meeting.

4. Other business

- **World Bank** provided an update on the process for approval of the 2021 Incentive Program DPG. The operation has now been approved by World Bank management. Negotiations are scheduled on the 19th May, with World Bank Board consideration scheduled on the 24 June.

- **World Bank** will hold an 'Introduction to the Incentive Program' session over coming weeks. This session is open to all ARTF member embassy staff and provides an overview of the history of the IP, current design, and annual process. An invitation will be circulated shortly.