



MINUTES
ARTF Incentive Program Working Group Meeting
12th May 2020

Agenda item #1: Update on COVID-19 Response Development Policy Grant

- **World Bank** updated the IPWG on progress with development of the Incentive Program Development Policy Grant. World Bank discussed proposed policy actions as included in the draft policy matrix included in the invitation to the meeting.
- **IPWG members were generally supportive of the proposed set of policy reforms.** IPWG members noted: i) the importance of ensuring that measures to address DABS's current financial needs should also ensure ongoing financial sustainability; and ii) it will be important for gender issues and analysis to be mainstreamed and emphasized in the program design.
- **IPWG members** asked for an update on whether additional health sector actions could be included. Specifically, IPWG member suggested actions for: i) the contracting of third-party monitors for the new COVID-19 health project; and ii) measures to be taken under the sehatmandi project to ensure that healthcare workers are not unfairly penalized under performance-based contracts for disruptions associated with the COVID-19 crisis. The World Bank Incentive Program team has discussed these suggestions with World Bank health specialists, who recognize the importance of the issues raised. At this point, they advise:
 1. Issues of healthcare worker penalties/motivation is currently being addressed through the sehatmandi program (including through the upcoming mid-term review);
 2. The Ministry of Public Health is proposing to directly procure third-party monitoring arrangements for the COVID-19 project, and the process is already underway;
 3. There would therefore be only marginal benefit in including policy actions in the proposed DPG, given that progress is occurring in both areas without budget support incentivization.

The World Bank health team would welcome further direct discussion on these points with ARTF partners.

Agenda item #2: Update on discussions between World Bank and Ministry of Finance regarding recent government restructuring and potential policy reversals.

- The **World Bank** updated IPWG members on the outcomes of a discussion with the Minister of Finance on recent government restructurings and slow progress with implementation of previously supported reforms.
- The **World Bank** noted that the meeting was constructive and that the Minister affirmed the importance of maintaining budget support assistance through effective implementation of supported reforms. Concrete next steps have been identified to ensure continued progress against all items.
- An informal readout from the meeting, including planned next steps is attached.



Agenda item #3: Economic and revenue update

- **World Bank** provided an overall economic and revenue update. Latest World Bank economic projections are included in the draft Program Document for the operation. Recent revenue figures provided by the Ministry of Finance highlight the extent of fiscal challenges currently facing government.
- **World Bank** currently estimates that revenues will fall by around 30 percent from budgeted levels in 2020, with total additional fiscal financing needs of around US\$840 million.

Agenda item #4: Update on Learning Review

- **World Bank** noted that Bill Byrd (consultant) had completed a draft of all chapters of the learning review.
- **IPWG members** agreed that: i) a short power-point will be circulated over the week of the 18th with key messages arising from the review; and ii) a discussion session will be held with the IPWG during the following week. The objective of the session will be to allow feedback on emerging messages and content prior to finalization of the draft report. IPWG members will also be provided with opportunities to comment on the draft report when it is available.

Attachments:

- Minutes of meeting between World Bank and Minister of Finance
- Program document for new COVID-19 response DPG
- Government revenue report for April.

All attachments are available in the shared folder.