



Tuesday June 8, 2021

Virtual Format

MEETING MINUTES

1. Update on progress with preparation of the 2021 Incentive Program.

- **World Bank** updated the IPWG on progress with implementation of the 2021 Incentive Program DPG. **World Bank** noted:
 - The Operation has been submitted to the World Bank Board for consideration on the 24th June 2021.
 - At the request of the Finance Minister, additional IDA resources reallocated from the Myanmar program and available for commitment during the World Bank FY21 were allocated to the Incentive Program, increasing the total IDA allocation to US\$132 million. The Ministry of Finance signaled that additional fiscal resources would be used to help address fiscal pressures, including those arising from the need for additional investment in customs infrastructure.
- **World Bank** will shortly circulate a revised monitoring matrix providing an update on progress against policy actions supported by the 2021 Incentive Program.
 - The World Bank is in ongoing policy dialogue regarding supported reforms to pensions and civil service allowances, supported by recent analysis under the ongoing Public Expenditure Review.
 - The World Bank is providing technical assistance to the Ministry of Finance to support the policy action related to enhanced reporting on contingent liabilities and fiscal risks.

IPWG members expressed interest in the World Bank's planned customs engagement and requested a dedicated discussion once some further details of project design have been agreed with the Ministry of Finance.

2. Briefing on Implementation Completion and Results Report for the 2019 Incentive Program

- **World Bank** presented the main findings of the draft Implementation Completion and Results (ICR) for the 2019 Incentive Program operation. The ICR is part of the World Bank's ongoing monitoring and evaluation mechanism and assesses overall impacts of the operation against targeted results.
- **World Bank** noted that the findings of the draft ICR are broadly positive, the all policy actions effectively implemented and the majority of results targets achieved.

IPWG members are invited to review the draft ICR (attached) and provide any comments by June 16.

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:
 - 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.

IPWG members are invited to provide specific comments on the text of the note by June 16, after which the note will be finalized.

Attachments:

- Recent David Mansfield report on illicit flows (as discussed in the context of the customs reform agenda)
- Draft note on process for modification of 2021 Incentive Program policy actions
- Draft Implementation Completion Report for the 2019 Incentive Program DPG