



MINISTRY OF FINANCE
REPUBLIC OF MALDIVES

QUARTERLY PROGRESS REPORT
Q3 - 2019
STATUS AS AT 30 September 2019

Maldives: PFM SYSTEMS STRENGTHENING PROJECT (P164322)
Funded by the World Bank - Grant & Loan Number: IDA 6220 & IDA D2950

DATE: 14/11/2019

1. Policy-based fiscal strategy and budget credibility

1.1 Enhancing Medium-term fiscal framework and evidence based budgeting

1.1.1 Development and roll-out of the medium-term expenditure framework

UPDATE: > FPP model Started on : 26/01/2019 ; PFDS Consultant working on medical consumable
> DSA model Started on : 26/01/2019 ; Had some issues with DSA template; re-scheduled for 2020 DSA
> Performance model Expected to start on: TBD ; will depend on the previous two components

Operational Progress % 15%
Financial Progress 0%
Target Completion Date 31/12/2020
Slippage 123 Days
Critical Issue Slippage is due to delay in implementing DSA model from 2019 to 2020

1.1.2 Analysis of sectoral expenditures to identify potential savings while protecting key investments

UPDATE: > Spending review Started on : 03/02/2019 ; FAD to decide the scope of the spending review

Operational Progress % 15%
Financial Progress 0%
Target Completion Date 08/04/2020
Slippage 8 Days
Critical Issue NON

1.1.3 Formulation of revenue policy

UPDATE: > Tax policy consultant TOR Started on : 22/01/2019 ; Local consultant hired from GOM Budget; Income tax policy drafting is ongoing

Operational Progress % 1%
Financial Progress 0%
Target Completion Date 28/08/2020
Slippage 332 Days
Critical Issue Scope changed from local consultant to International consultant

1.1.4 Fostering evidence-based budgeting through a new Household Income and Expenditure Survey (HIES).

UPDATE: > Training Expected to start on: TBD ;
> Conducting HIES Expected to start on: TBD ;
> Linkage to policy framework Expected to start on : 01/01/2021 ;

Operational Progress % 7%
Financial Progress 1%
Target Completion Date 02/01/2021
Slippage 2 Days
Critical Issue NON

1.1.5 Supply side impact of major projects and macro economic developments

UPDATE: > Develop model Expected to start on : 31/12/2020 ;

Operational Progress % 0%
Financial Progress 0%
Target Completion Date 29/06/2021
Slippage 428 Days
Critical Issue Expected to delay due to delay in implementing 1.1.1

1.1.6 Strengthening BPC model

UPDATE:	> Developing business requirement for enhancement Started on : 14/02/2019 ; > Hire consultant Started on : 08/08/2019 ;
Operational Progress %	64%
Financial Progress	0%
Target Completion Date	27/02/2020
Slippage	170 Days
Critical Issue	Delay is due to delay in signing the SAP service contract

1.2 Strengthening debt and cash management

1.2.1 Improvement of the cash flow projections and preparation of domestic borrowing plans

UPDATE:	> Improve cashflow projection Expected to start on: TBD ; > Improve and update domestic borrowing plan Expected to start on: TBD ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

1.2.2 Development of the domestic market and improving domestic debt issuances

UPDATE:	> Review & update MTDS Started on : 01/05/2019 Completed ; > Implement MTDS / Compare with current portfolio with MTDS portfolio Started on : 31/07/2019 ; > Improving domestic debt issuance Expected to start on: TBD ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

1.2.3 Modernization of debt management legislation

UPDATE:	> Review DEMPA self assesment conducted by RMDMD Started on : 28/12/2018 Completed ; > Send recommendation to Legal to incorporate in the legislation Started on : 28/01/2019 Completed ; > Review debt related legislations on the possibility of modernizing Expected to start on: TBD ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

1.2.4 Reduction of risks to Treasury from guarantees and improvement of guarantee issuance policy

UPDATE:	> Review and update guarantee policy Expected to start on : 10/12/2019 ; Depends on the risk framework for SG > Risk framework for SG issuance Started on : 05/02/2019 ;
Operational Progress %	51%
Financial Progress	0%
Target Completion Date	04/12/2020
Slippage	0 Days
Critical Issue	NON

1.2.5 Assess and mitigate the contingent liabilities, including from the housing programs

UPDATE:	> Assess all contingent liabilities propose recommendations Expected to start on: TBD ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

1.2.6 Capacity Building of RMDMD

UPDATE:	> Training: Islamic Instruments Started on : 30/01/2019 ; > Training: Contract Management Expected to start on: TBD ; > Training: Loan Negotiations Expected to start on: TBD ; > Training: CS-DRMS Advance & Domestic module, System Administrator Expected to start on: TBD ; > Training: PSDS Training Expected to start on: TBD ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

1.3 Strengthening Management of Capital Budget

1.3.1 Enhance the preparation of the capital budget with budget ceiling and selection criteria

UPDATE:	> Screening Criteria Started on : 03/02/2019 ;
Operational Progress %	11%
Financial Progress	0%
Target Completion Date	05/07/2020
Slippage	240 Days
Critical Issue	Possible duplication of resources with USAID assistance

1.3.2 Building the capacity of FAD (Fiscal Affairs Division) to evaluate investment proposals

UPDATE:	> Identify training for FAD & Planning Expected to start on : 16/12/2019 ; > Complete Trainings Expected to start on : 14/02/2020 ;
Operational Progress %	0%
Financial Progress	0%
Target Completion Date	15/05/2021
Slippage	0 Days
Critical Issue	NON

1.3.3 Development of a multi-year public investment program and vetting procedures

UPDATE:	> Developing national plan Expected to start on: TBD ; > Appoint focal point from Planning Ministry and develop ToRs for priority activities. Expected to start on: TBD ; > implement Vetting procedures Expected to start on : 06/07/2020 ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	Possible duplication of resources with USAID assistance

1.3.4 Capacity of selected line ministries to prepare, finance and implement investment operations

UPDATE:	> Identify training_ along with training need Expected to start on : 16/12/2019 ;
Operational Progress %	0%
Financial Progress	0%
Target Completion Date	15/05/2021
Slippage	0 Days
Critical Issue	NON

2. Controlled budget execution

2.1 Further strengthening of the Public Accounting system (PAS) and asset management

2.1.1 DLI #1 – Establishment of a Public Finance Development Service (PFDS)

UPDATE:	> Establishment of PFDS Started on : 01/01/2018 Completed ; > Staffing of 10 out 16 Consultants Started on : 21/06/2018 Completed ; > Performance report including beneficiary feedback published on MOF website Expected to start on : 15/10/2019 ; Only beneficiary feedback is pending
Operational Progress %	59%
Financial Progress	0%
Target Completion Date	30/06/2020
Slippage	0 Days
Critical Issue	NON

2.1.2 SAP module roll out

UPDATE: > Module roll out Expected to start on: TBD ;

Operational Progress % NA
Financial Progress 0%
Target Completion Date NA
Slippage 0 Days
Critical Issue NON

2.1.3 Asset management

UPDATE: > Hiring firm for asset management Started on : 09/01/2019 ; Tender published
> Hiring local consultant for PFDS Started on : 09/01/2019 | Completed ;
> Phase 1 Implementation Expected to start on : 10/12/2019 ;
> Phase 2 Implementation Expected to start on : 08/05/2020 ;

Operational Progress % 30%
Financial Progress 0%
Target Completion Date 03/01/2021
Slippage 129 Days
Critical Issue NON

2.2 Payroll Management and Control

2.2.1 Increase MOF's control on the wage bill

UPDATE: > Research on how we can control the wage bill Expected to start on: TBD ;

Operational Progress % NA
Financial Progress 0%
Target Completion Date NA
Slippage 0 Days
Critical Issue NON

2.2.2 Enhance quality of HR data accessible to MOF

UPDATE: > Staff registry Started on : 26/12/2018 ; Application completed; Data Feeding expected to complete in 2- 3months

Operational Progress % 74%
Financial Progress 0%
Target Completion Date 19/02/2020
Slippage 0 Days
Critical Issue NON

2.2.3 Review and evaluation of pay classification structure in the public sector

UPDATE: > Prepare plan Started on : 27/01/2019 | Completed ;
> Prepare and finalize Tor Started on : 04/03/2019 | Completed ;
> Hire consultant Started on : 26/03/2019 ; Bid Evaluation on-going
> Review & evaluate pay classification Expected to start on : 01/01/2020 ;

Operational Progress % 12%
Financial Progress 0%
Target Completion Date 30/04/2020
Slippage 220 Days
Critical Issue NON

2.2.4 Standardize and consolidate pay classification structure

UPDATE: > Standardize & consolidate pay classification structure Expected to start on : 30/05/2020 ;

Operational Progress % 0%
Financial Progress 0%
Target Completion Date 27/10/2020
Slippage 0 Days
Critical Issue NON; but depends on the outcome of the 2.2.3

2.2.5 DLI #2 – Establishment of civil service registry with gender disaggregated data for finance cadres

UPDATE: > Establishment of civil service registry Started on : 26/12/2018 ; Expected to complete by November 2019
> NPC approval for finance cadres Expected to start on : 28/10/2020 ;
> 100% of new recruited are subject new structure Expected to start on : 30/07/2020 ;

Operational Progress %	49%
Financial Progress	0%
Target Completion Date	30/06/2021
Slippage	0 Days
Critical Issue	NON

2.3 State-Owned Enterprise (SOE) governance and oversight

2.3.1 Online monitoring and reporting system of SOEs' financial and non-financial performance, .

UPDATE:	> Web application V1 Started on : 01/01/2019 ; Application launched; now testing by two SOE's is ongoing
Operational Progress %	31%
Financial Progress	0%
Target Completion Date	06/10/2019
Slippage	154 Days
Critical Issue	NON

2.3.2 Design and implementation of an SOE fiscal risk and contingent liability assessment and monitoring tool

UPDATE:	> Fiscal & credit risk assesment for SOE and major project/PPPs Consultant Started on : 01/03/2019 ; > Fiscal risk specialist int. consultant Started on : 01/03/2019 ;
Operational Progress %	0%
Financial Progress	0%
Target Completion Date	25/11/2020
Slippage	0 Days
Critical Issue	NON

2.3.3 Implementation of the new corporate governance code

UPDATE:	> Implementing CG Code Started on : 13/02/2019 ; Workshop is scheduled at 13th Feb
Operational Progress %	91%
Financial Progress	2%
Target Completion Date	28/06/2019
Slippage	0 Days
Critical Issue	NON

2.3.4 Increased transparency and disclosure of SOE performance and oversight

UPDATE:	> Implementation of CG code Expected to start on: TBD ; > Publishing quarterly performance reports to MOF website Expected to start on: TBD ; > Assist SOE's Hosting their own website to disclose information Expected to start on: TBD ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

2.3.5 DLI #3 – Improve oversight and monitoring of SOEs

UPDATE:	> Joint Performance Monitoring framework Expected to start on: TBD ; > Largest 10 SOEs adopt the new procurement guideline and CG code Expected to start on : 02/07/2020 ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

2.6 Procurement reforms

2.6.1 Formulation and implementation of a procurement reform strategy and roadmap implementation options

UPDATE:	> Formulate procurement reform strategy & roadmap implementation options Expected to start on: TBD ; Waiting for PO's comment on Proc Reform Paper - by 5 Sept > Implement reform strategy Expected to start on: TBD ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA

Slippage	0 Days
Critical Issue	NON

2.6.2 Pilot testing of green procurement

UPDATE:	> Select a project to test green procurement Expected to start on: TBD ; Meet with MoEE by 29 Aug as followup - MoEE will determine whether to hire a consultant/not > Preparing pilot project bid documents for green procurement Expected to start on: TBD ; > Procure based on green procurement Expected to start on: TBD ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

2.6.3 Procurement guidelines for SOEs

UPDATE:	> Hiring firm to formulate Procurement Policy for SOE's Started on : 17/01/2019 ;
Operational Progress %	22%
Financial Progress	0%
Target Completion Date	02/07/2020
Slippage	0 Days
Critical Issue	NON

2.6.4 Capacity building

UPDATE:	> Training Started on : 15/06/2019 ;
Operational Progress %	0%
Financial Progress	0%
Target Completion Date	13/12/2021
Slippage	0 Days
Critical Issue	NON

3. Accounting, Reporting and Internal Audit

3.1 Capacity building of IA

3.1.1 Capacity building of IA

UPDATE:	> General Training on SAP Started on : 20/02/2019 ; > Configuring and training on SAP Audit Trial Expected to start on : 01/03/2020 ; > Training on Audit Expected to start on : 01/04/2020 ;
Operational Progress %	12%
Financial Progress	0%
Target Completion Date	31/03/2020
Slippage	-11 Days
Critical Issue	NON

3.2 Accounting reform action plan which will aim at full implementation of the IPSAS modified accrual accounting for the financial statements

3.2.1 Preparation & implementation of Accounting reform action plan

UPDATE:	> Issuance of whole-of-government and Ministry to appoint an internal auditor. Expected to start on: TBD ; > Adopt the internal audit committee charter Started on : 16/04/2019 Completed ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

3.3 Align the IA practices to international IA standards in the public sector

3.3.1 Align the IA practices to International Standards

UPDATE:	> Align the IA practices to International Standards Expected to start on: TBD ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

3.4 DLI #4 Increasing transparency and external accountability

3.4.1 Increasing transparency and external accountability

UPDATE:	> 2018 Whole of government FS are audited and published Started on : 15/04/2019 ; > FS of 10 largest SOE's are audited and published Expected to start on : 15/03/2020 ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

4. External Audit of the Public Sector

4.1 Introduction of pilot citizen participatory audit

4.1.1 Introduction of citizen participatory pilot audit

UPDATE:	> Prepare a TOR for the SAI Performance review (PMF) Started on : 02/05/2019 ; > Hire an expert on Citizen Participatory Audit (WB to provide examples) Started on : 15/09/2019 ;
Operational Progress %	0%
Financial Progress	0%
Target Completion Date	09/02/2021
Slippage	0 Days
Critical Issue	NON

4.2 Audit of SOEs

4.2.1 Audit of SOEs's

UPDATE:	> Audit of SOE's Expected to start on: TBD ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

4.3 Strengthening of the relationship with the Public Accounts Committee (PAC) of Parliament.

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UPDATE:	> Strengthening of the relationship with the Public Accounts Committee (PAC) of Parliament. Expected to start on: TBD ;
Operational Progress %	NA
Financial Progress	0%
Target Completion Date	NA
Slippage	0 Days
Critical Issue	NON

4.4 Improve alignment with international standards for supreme audit institutions (ISSAI) and with international good practice

4.4.1 Improve alignment with international standards for supreme audit institutions (ISSAI) and with international good practice

UPDATE:	> Hire an expert on ISSAI Started on : 01/09/2019 ;
Operational Progress %	0%
Financial Progress	0%
Target Completion Date	12/01/2020
Slippage	0 Days
Critical Issue	NON

5. Project and Change Management

5.1 Preparation and regular update of Communication Plan

5.1.1 Preparation of Communication Plan

UPDATE:	> Hire Consultant to prepare the communication plan Started on : 15/04/2019 ;
Operational Progress %	0%
Financial Progress	0%
Target Completion Date	01/06/2020
Slippage	0 Days
Critical Issue	NON

5.2 Carry out the project's internal audit for 2017

5.2.1 Carry out the project's internal audit for 2017

UPDATE:	> Audit meeting Started on : 03/01/2019 Completed ; > Auditing Started on : 05/01/2019 Completed ; > Draft Audit Report Started on : 07/03/2019 Completed ; > Circulate for comments Started on : 22/03/2019 Completed ; > Finalizing Audit Report Started on : 13/04/2019 Completed ;
Operational Progress %	100%
Financial Progress	0%
Target Completion Date	27/04/2019
Slippage	0 Days
Critical Issue	NON

5.3 IVA

5.3 IVA

UPDATE:	> Hire Firm for IVA Started on : 29/01/2019 Completed ;
Operational Progress %	100%
Financial Progress	0%
Target Completion Date	16/05/2019
Slippage	0 Days
Critical Issue	NON

INTERMEDIATE RESULTS INDICATORS

i. Increased capacity on macro fiscal planning

Baseline	NA
Year 1	>Methodology for preparation of macro fiscal framework exists. >Draft macro fiscal forecasting tool exists. >100% of EPP unit staff trained on methodology
End Target	Production of a Macro fiscal forecasting tool to inform the annual budget
Status	Ongoing

ii. Increased capacity on debt and cash management

Baseline	Credible DMS does not exist
Year 1	>100% of staff at Debt Management Dept trained on the job to update the DMS. >CFF model developed and 100% of relevant staff trained on CFF model.
End Target	Debt management strategy produced
Status	Ongoing

iii. BERs subjected to audit by internal auditors

Baseline	0
Year 1	> 10
End Target	100
Status	No Progress

iv. Timely preparation of annual financial statements (AFS)

Baseline	AFS not accepted by audit as complete and ready for audit.
Year 1	1
End Target	AFS submitted to audit within 4 months from year end.
Status	MoFT has provided comments to the Audited 2016 FS and sent to Audit Office. Audit Office is expected to revise the statements as per these comments. Can be published after this is done.

v. Capacity building on procurement through the implementation of a new Procurement curricula

Baseline	NILL
Year 1	>Procurement policy section established and functional >Monitoring mechanism established under each procuring entity.
End Target	15
Status	No Progress

vi. Improved communication of PFM reforms

Baseline	No PFM communication strategy
Year 1	>Communication strategy approved. >Five awareness and consultation workshops on business process improvement held. >Five awareness and consultation workshops on the legislative review held.

End Target	>All planned consultation workshops held for legal and business process review >Fifteen change management workshops for key stakeholders held in total by end of FY5. stakeholders held in total by end of FY5.
Status	Draft communicaion strategy exists

vii. Inclusion of CPA techniques in Performance Audit

Baseline	No use of CPA
Year 1	NA
End Target	Two pilot Performance Audits conducted using CPA
Status	No Progress

viii. Updated gender disaggregated statistics to inform fiscal policy

Baseline	No recent data on household income/expenditures
Year 1	NA
End Target	Findings from HIES have been published
Status	No Progress

ix. Improved asset management

Baseline	Asset registry not annexed to AFS
Year 1	NA
End Target	End year Financial Statements with asset registry
Status	No Progress