



FACT SHEET

Democracy and Governance Program

Public Financial Management Strengthening Project (PFMSP)

BACKGROUND

A robust public financial management (PFM) system is central to Nepal's development efforts and to the effectiveness of aid funds that support them. USAID has long supported the PFM systems of the Government of Nepal's (GON) line ministries. To further advance the goals of more effective, transparent and accountable management of public resources and Nepal's government service delivery, USAID commissioned an assessment to determine areas for improvement and areas of risk within the PFM systems. To complement U.S. Government commitments to the PFM multi-donor trust fund, USAID worked with the Ministries of Finance, Health, and Education to jointly design a project that specifically seeks out areas of opportunity that fall outside of existing PFM programming. The PFMSP is designed to reduce fiduciary risks by strengthening supply-side financial accountability and to strengthen internal oversight and accountability mechanisms.

PROJECT OVERVIEW

PFMSP will enhance the transparency and accountability of the PFM systems of GON ministries and agencies. PFMSP will support the GON's capacity building priorities, by extensive consultations between USAID, GON and the donor community.

The geographic scope will be USAID/Nepal's 20 focus districts in the West, Mid-West and Far-West regions, as well as the 14 earthquake affected districts.

EXPECTED RESULTS

- GON Budget Planning and Execution Capacity improved
- Improved procurement capacity and control environment at the Ministries of Health and Education
- National Reconstruction Authority financial management functions strengthened

SNAPSHOT

Life of Project: August 15, 2016 – August 13, 2021

Goal: To enhance the capacity of targeted Government of Nepal ministries and agencies to improve transparency and accountability of public financial management systems

Implementing Partner: Louis Berger Group

Geographic Focus:

20 West to Far-West districts:
Kapilvastu, Palpa, Arghakanchi, Gulmi, Dang, Salyan, Pyuthan, Rukum, Rolpa, Banke, Bardiya, Surkhet, Dailekh, Jajarkot, Kailali, Doti, Achham, Kanchanpur, Dadelhdhura and Baitadi

14 Earthquake-affected districts:
Okhaldhunga, Ramechhap, Dolakha, Sindhuli, Sindhupalchowk, Kavrepalanchowk, Kathmandu, Lalitpur, Bhaktapur, Nuwakot, Rasuwa, Dhading, Gorkha and Makwanpur

Total Project Amount: \$14,049,368

KEY ACTIVITIES

- Upgrade financial management software at the Ministry of Finance
- Conduct a PFM information technology needs assessment and provide technical assistance to map out the integration of PFM hardware and software layers
- Design and provide tailor-made training to GON staff for the implementation of line ministry budget information systems, internal control and procurement practices and inventory/assets management
- Consolidation (or develop) manuals and guidelines
- Train master trainers to design and impart step-down training to the sub-national level
- Provide technical assistance to the Ministries, FCGO/PEFA Secretariat and NRA for strengthening an accurate accounting and reporting system
- Provide technical assistance to the NRA to develop improved budget and expenditure tracking and monitoring for the reconstruction and recovery

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