



## Press Release



### **The Government of Nepal and Asian Development Bank Sign Agreement for Strengthening Public Finance Management and Devolved Service Delivery Program**

**Kathmandu, 24 November, 2023-** The Government of Nepal and the Asian Development Bank signed financing agreements for the Strengthening Public Finance Management and Devolved Service Delivery Program. The Financing comprises a \$100 million (approximately Rs. 13.33 billion) concessional loan from Bank's Ordinary Capital Resources.

The agreement was signed by the Secretary, Ministry of Finance, Dr. Krishna Hari Pushkar, on behalf of the Government of Nepal, and Mr. Arnaud Cauchois, Country Director for Nepal, on behalf of the Asian Development Bank.

"The area of public financial management and effective service delivery are always in high priority of the Government of Nepal's reform agenda. The Strengthening of fiscal federalism and enhancement of service delivery as well as reform in the public finance management system are the priorities of budget as underscored in this year's budget speech. This program is designed to nourish fiscal management and promote fiscal federalism through various reforms initiatives" stated Dr. Pushkar, Secretary, Ministry of Finance.

"The ADB-supported program is an important program to facilitate reforms to promote fiscal sustainability and fiscal federalism. It is aligned with the government's medium-term and long-term national development plans as outlined in the 15th Five-Year Plan and a long-term economic development vision to make Nepal a middle-income country by 2030." said Mr. Arnaud Cauchois, Asian Development Bank Country Director for Nepal.

The proposed program is a policy-based budget support. The Program has 2 Subprograms, of which Subprogram 1 has been completed. The Subprogram 2 of the program will assist in continuing on-going reforms in sectors of public financial management (PFM) reforms at the national and subnational levels. At national level, it focuses on public expenditure and debt management to rationalize public spending and to enhance capital budget absorption capacity. On the other hand, at the subnational government (SNG) level, it focuses on resource planning and management, with an objective to enhance and operationalize public services devolved to sub-national governments.

Ministry of Finance  
Singhadurbar, Kathmandu  
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