



Public Financial Management Program in Afghanistan

Fact sheet: January 2015

Overview

The Australia-Afghanistan Public Financial Management (PFM) Program in Afghanistan (AUD11 million; 2012-15) aims to strengthen budget formulation and execution across key service delivery ministries in Afghanistan.

Objective

The PFM Program supports the Afghan Government to implement its PFM reform priorities. These priorities include strengthening budget processes and management, and the accountability and transparency of its fiscal operations.



Towards these objectives, the PFM Program focuses on helping Afghanistan to unblock financial management constraints to service delivery at the central and sub-national levels of government. It does so by helping to improve performance in planning and project design, procurement, financial administration, and financial reporting across the six targeted ministries (Public Health; Education; Agriculture, Irrigation and Livestock; Economy; and Public Works).

Photo: Participants busy in a group session during a PFM Program training workshop. Credit: PFM Program.

Activities under the PFM program

Under the PFM program, Australia funds three sub-components:

- › Support to the Ministries of Public Health, Agriculture, Education, Public Works and Economy to improve budget planning, project design, procurement, and financial administration;
- › Support to provincial line directorates to facilitate improved budget and financial management processes; and
- › Policy and advisory support for engagement with the Afghan Government and other donors in the wider PFM reform agenda.

Activities under these components are delivered through training workshops, targeted coaching sessions and mentoring for selected staff.

The participating ministries also join Australia on the PFM Steering Committee, which meets three times yearly. The Committee reviews implementation, shares information and supports coordination between participating ministries.

The PFM Program is intended to bring about sustainable, long-term improvements in Afghan

Government capacity and delivers technical assistance to achieve this, guided by the needs of individual ministries. Capacity building is provided by two international and 13 local technical advisers, who are embedded within ministries with a focus on providing onsite technical support.

Results under the PFM program

The PFM Program has proven to be a highly effective and well-received mechanism for improving Afghan Government capacity. It has contributed to improved financial management protocols and strengthened capacity to deliver essential services in all target ministries. This was confirmed by an independent evaluation in 2014. Key results for the program include:

- › Conducting 42 training workshops and coaching sessions for 956 civil servants, with a minimum participation rate of 95 per cent in workshops reflecting the high level of interest in program activities.
- › More than 70 per cent of civil servants trained have demonstrated improved work practices in planning, project design, procurement and financial administration.
- › Improved procurement processes across targeted ministries, including more timely preparation of annual procurement plans to support better budget execution rates.
- › Supporting the establishment of Internal Budget Committees in all four line ministries, greatly increasing management oversight of fiscal operations.
- › Funding 11 officials to participate in a successful exposure visit to South Korea to learn from their comprehensive public financial management reform process.

Supporting PFM helps to safeguard Australia's and other donors' commitments to the Afghan Government.



Photo: Participants at a PFM Program provincial training session for strengthening planning and financial management. Credit: PFM Program.