

Success Story

Public Finance

PFM Consultancy Services to the World Bank

Storyline...

The Governance Global Practice team of the World Bank implements several public financial management (PFM) reforms in India. One such ambitious reform program was the [Himachal Pradesh Public Financial Management Capacity Building Program](#) (July 2017 to June 2023).

MaGC's provided support services to the Bank's team of financial management specialists (FMS) across all stages of the Program from concept to completion.

Once upon a time...

Being a mountainous state, the Indian state of Himachal Pradesh suffers from multiple development challenges. Around the year 2015, these challenges were accentuated by severe fiscal constraints. The state government was determined to improve its public financial management (PFM) systems. It initiated a series of PFM reform measures under the Program with World Bank support.

Moving on...

The World Bank supported the Program as a Program for Results (PforR), under which financial support was extended to the Government of Himachal Pradesh (GoHP) against achievement of pre-agreed results. MaGC team provided support to the Bank team across all Program stages, namely, Program concept and design, implementation supervision, mid-term restructuring and Program completion and closure. Tasks included participating and providing inputs in key meetings of the Bank and with the client and producing key Program documentation throughout the Program period such as the Concept Note, Results Chain, Program Appraisal Document, draft Loan and Program Agreements, Restructuring Papers, and Aide Memoirs.

The Program covered several interventions in the following areas: Implementation of an Integrated Financial Management Information System (IFMIS), budget reforms, debt management, electronic procurement, contract management, audit, and tax administration. The MaGC team supported the Bank team in Program implementation monitoring and worked closely with GoHP in conceptualizing and implementing various reform components and undertaking diagnostic studies. MaGC also supported in mid-term restructuring of the Program and Program closure activities, which included preparation of the Program Completion Report.

Finally...

The Program was successful in achieving all the envisaged results and saw 100% disbursement. Being the first PFM reform PforR in the country, it generated valuable learnings for the Bank as well as other development partners. Several reform initiatives like the IFMIS implementation, complete rollout of eProcurement, contract management system, and institutional reforms in the taxation department were among the early PFM reform initiatives at sub-national level in the country. Program achievements are captured in a [Success Story](#) on technology-driven PFM reforms published on the GoHP website. MaGC's contribution was appreciated, and the team was engaged by the Bank for several other short-term requirements.