

NEWS RELEASE



Bhutan, World Bank Sign \$4 Million Grant Supported by European Union and Austrian Development Agency to Strengthen Management of Public Funds

Thimphu, September 21, 2017 – The Royal Government of Bhutan and the World Bank signed a \$4 million grant today to help Bhutan manage public funds more effectively and improve procurement and budgetary systems, with the overarching goal of strengthening delivery of public services and enhancing governance.

“Sound public financial management is critical for good governance, which is one of four principles of Gross National Happiness. Proposed public financial management reforms will go a long way in strengthening accountability, transparency, efficiency and effectiveness in the resource mobilization and allocation of the public resources to achieve our development goals. We are grateful to the World Bank for forging the partnership between the Royal Government of Bhutan, the World Bank, European Union and Austrian Development Agency through the Public Financial Management Multi-Donor Fund” said **Nim Dorji, Finance Secretary, Royal Government of Bhutan.**

Bhutan has made transparent government spending and strong legislative oversight a priority, toward a more open and accountable government. The [Public Financial Management \(PFM\)](#) project, which supports this effort, was established under the Public Financial Management Multi-Donor Fund (PFM-MDF), a joint program of the World Bank, the [European Union](#) and the [Austrian Development Agency](#).

“Bhutan has made important strides in public financial management reforms. Thimphu Thromde is the first borrowing country agency in the world to have its procurement system and regulations cleared for use in World Bank financed projects,” said **Qimiao Fan, World Bank Country Director for Bhutan.** *“The World Bank remains committed to supporting Bhutan’s reforms in public financial management through the multi-donor funds and other instruments such as budget support.”*

The Royal Government of Bhutan achieved progress in increasing the efficiency of public expenditure and financial systems, and the project will help accelerate the pace of public financial management reforms in the country.

“Strengthening public financial management is a cross cutting theme that will positively impact all projects and schemes in the country, irrespective of their funding source.” said **Jerome Pons, Head of Cooperation, Delegation of the European Union for Bhutan.**

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“The Austrian Development Cooperation maintains its support to Good Governance in Bhutan with participation in this PFM MDF. In this joint programme, we shall continue to highlight key cross cutting issues of capacity development as well as social and gender-equality, in support of a just and equitable society, and sustainable development, which shall ultimately benefit all people and sectors of Bhutan.” stressed **Johannes Binder, Counsellor and Resident Coordinator, Austrian Development Agency.**

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