

Strengthening of the Government Financial Administration

NICARAGUA

SECTOR: Institutional Strengthening

PROJECT NAME: Funding for the Strengthening of the Government
Financial Administration
(ATN/SF/4666-NI)

TOTAL COST: \$1,520,000

FINANCING:

IDB	\$1,370,000
LOCAL	\$ 150,000

DATE OF APPROVAL: October 12, 1994

GENERAL DESCRIPTION: The overall objective of this program is to help the government of Nicaragua to design and implement an integrated financial administration system (SIAF), to endow the Ministry of Finance with greater institutional capacity to plan, execute, and evaluate public spending in a context of greater effectiveness and transparency. The project is part of a strategy designed to bring about structural changes in the State apparatus with a view to enhancing its efficiency.

This technical cooperation is designed as an initial stage in a broader program of financial administration reforms in the treasury, public-borrowing, and procurement systems. The specific objectives of the

program are the following: (a) strengthening of the Treasury Department in the Ministry of Finance; (b) development of the role of the Department of Public Borrowing in the Ministry of Finance as the governing body for public-sector borrowing, strengthening its regulatory functions for the borrowing system and its operational functions in the negotiation, contracting, administration, and control

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of public debt; and (c) reform of the State's Procurement Department, with decentralization of responsibilities to the executing agencies, in accordance with the capacity of the administrative units of the agencies and the control systems to assume those responsibilities.

CONSULTANTS: A team of international and national consultants will be contracted to execute the activities of the financial administration reform program. The team will consist of seven international experts (three principal and four short-term) for a total of 72 person/months, and eight local consultants for a total of 129 person/months. In addition, ten person/months will be allocated for unspecified international consultants and ten person/months for unspecified national experts.

GOODS AND EQUIPMENT: Not applicable.

CIVIL WORKS: Not applicable.

EXECUTING AGENCY: Ministry of Finance, through the Commission for Reform of Government Financial Administration and Control (CRAFCG)

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