



## Subnational Public Financial Management Program

Improving the management of public finances

### Phase III

#### About the programme

Through the Subnational PFM Programme, we provide training and technical assistance to optimise processes for procurement, budgeting, risk management and internal controls. We also help to introduce technological tools to enhance efficiency and transparency in the public administration. An important aspect is our support to Peru's justice institutions to recover assets linked to illicit activity.

In education, we help improve the distribution of school materials for children.

In health, we seek to enhance the distribution of medications and vaccines used to address anaemia and malnutrition.

In the environmental sector, we focus on strengthening monitoring and controls in nine Regional Conservation Areas in Loreto, San Martín and Cusco. This contributes to the protection of biodiversity, the sustainable use of resources and the continuous provision of ecosystem services for the population.

The programme also supports the implementation of recommendations related to Peru's accession to the OECD in public finance matters at the subnational level. In doing so it reaffirms its commitment to efficient, transparent and results-oriented public governance.

The Subnational PFM Programme is supported by Switzerland, through its Economic Cooperation – SECO, and is implemented by the Basel Institute on Governance.

#### Objective

Our overall aim is to strengthen the public finance management capacities of subnational governments in order to improve the delivery of public services to citizens, particularly in the areas of education, health and the environment.

#### Expected results by intervention areas

##### 1 Improved provision of priority public services

Subnational governments improve procurement processes (planning, budget programming, contracting and logistics), ensuring the timely delivery of supplies such as educational materials, health supplies (vaccines, iron supplements, etc.), and the monitoring and control of regional conservation areas.

In addition, subnational governments enhance the delivery of monitoring and control services, with particular emphasis on remote monitoring and community-based monitoring.

##### 2 Optimised public investment execution

Subnational governments optimise the management of priority investment projects, with a focus on closing infrastructure gaps in education and health. Our technical assistance spans the various phases of the investment cycle.

### 3

## Strengthened local fiscal sustainability

Our programme contributes to the fiscal sustainability of local governments by improving processes of property tax registration, collection and enforcement, and by integrating land registry data into the Municipal Tax Collection System.

### 4

## Robust public Integrity systems

We help implement preventive strategies to increase transparency and reduce corruption risks in both ongoing and capital expenditure management in the education, health and environment sectors. Actions focus on strengthening social controls and risk management and promoting a culture of public integrity.

### 5

## Asset recovery and anti-corruption

We build the capacity of justice institutions (Public Prosecutor's Office, Judiciary and Ministry of Justice and Human Rights) to recover misappropriated public funds and contribute to the fight against corruption.



**Knowledge management and sustainability tools**, including working papers, best practices/lessons learned, and policy documents.

## Products

The products that the Subnational GFP Program provides to beneficiary entities are the following:



**Technical assistance** through workshops, on-site support, and feedback meetings;



**Capacity building** through courses, certificate courses, ad hoc training, training programs, and talks;

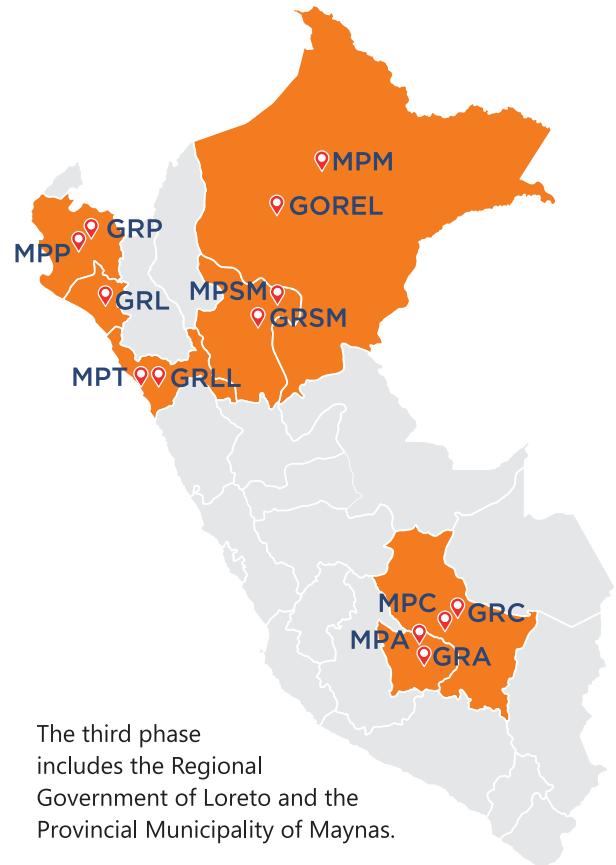


**Management improvement tools** through the improvement of process, system, or norm management.



**Innovation tools** with low-cost measures designed to modify habits, practices, or behaviors.

## Scope of the Program



The third phase includes the Regional Government of Loreto and the Provincial Municipality of Maynas.

- 📍 **GRA** - Regional Government of Apurímac
- 📍 **GRC** - Regional Government of Cusco
- 📍 **GRLL** - Regional Government of La Libertad
- 📍 **GRL** - Regional Government of Lambayeque
- 📍 **GOREL** - Regional Government of Loreto
- 📍 **GRP** - Regional Government of Piura
- 📍 **GRSM** - Regional Government of San Martín
- 📍 **MPA** - Provincial Municipality of Abancay
- 📍 **MPC** - Provincial Municipality of Cusco
- 📍 **MPM** - Provincial Municipality of Maynas
- 📍 **MPP** - Provincial Municipality of Piura
- 📍 **MPSM** - Provincial Municipality of San Martín
- 📍 **MPT** - Provincial Municipality of Trujillo

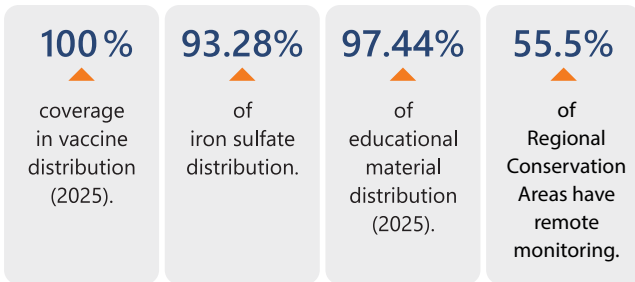
The Program directly benefits 13 subnational governments.

It also seeks to influence district municipalities located in beneficiary regions through virtual trainings and the creation of knowledge-sharing communities, where identified good practices and relevant information will be shared.

## Notable Results

### 1 Improved provision of priority public services

The programme has contributed to ensuring the timely and efficient delivery of critical inputs in health, education and the environment:



These results reflect structural improvements in procurement processes and management of expenditure.

### 2 Optimised public investment execution

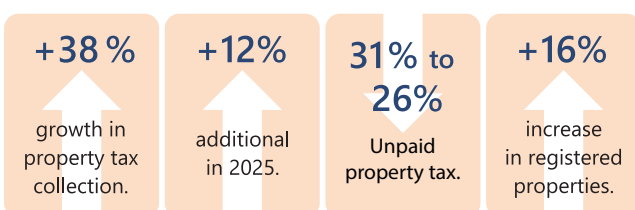
The programme has strengthened the management of the public investment cycle, achieving:



Plus a sustained improvement in capital expenditure efficiency.

### 3 Strengthened local fiscal sustainability

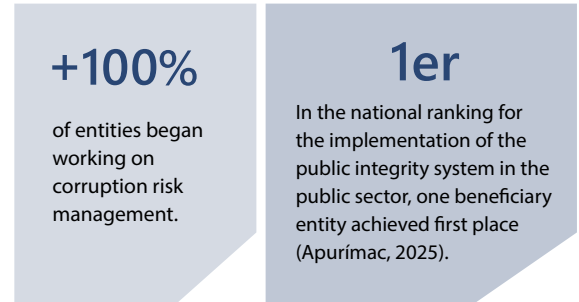
The programme has driven improvements in municipal tax management:



This reflects improvements in cadastral records, tax oversight, and income management.

### 4 Robust public integrity systems

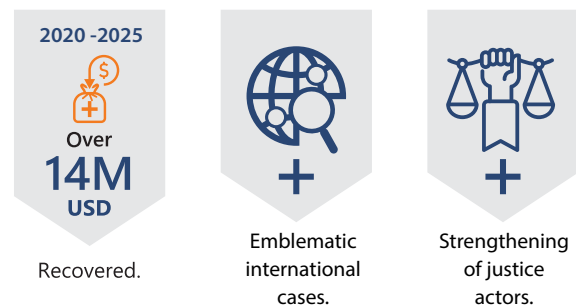
The programme has strengthened corruption prevention systems, achieving:



Beneficiaries are transitioning to solid institutional models of integrity.

### 5 Asset recovery and anti-corruption

The programme has contributed to the recovery of public resources.



#### Facts

Budget : CHF 8 million Swiss francs

Period : 2024 - 2028

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