

## Provincial Capacity Building (PCaB) programme

### An effective approach for improving service delivery at sub-national levels

#### Introduction

Papua New Guinea is considered one of the richest countries in the world in terms of cultural diversity and natural resources. During the last decade the country experienced a booming growth in investments in its minerals, oil and gas resources, leveraging its economy and resulting in a prosperous 7 % average increase in its GDP rate. However, the majority of the country's population, in particular the 85% living in rural areas, has not witnessed transformative changes in their lives.

Since 2005, a devolution structure was meant to gradually channel Government funds more directly to attend to the needs of the population through provincial, district and Local Level Governments (LLG's) but progress in terms of delivery of basic services to the population remains slow. One of the main reasons for this is the insufficient or lack of capacity at sub-national levels to effectively deliver the services.

Every year, the National Government disburses recurrent and development grants to the provinces through the Department of Finance (DoF) structures in the twenty-two (22) provincial treasuries. These are accountable for all districts and LLG's treasuries and various sectoral administrations to deliver their respective services and mandates. However, the Department failed to build capacity of officers to enable them to manage, monitor and report on priority government expenditures, established within the budget appropriations, at the sub-national levels.

This lack of capacity in the provincial governments has been a great concern for the PNG Government, donor partners, UNDP and AusAID. The development partners together with the National Government addressed this issue in early 2005 by designing and initiating a Provincial Capacity Building (PCaB) Programme. This was meant to enhance the capacity of provincial treasuries, with the aim to improve service delivery at sub-national levels through stronger public financial management within DoF structures in the provinces. The programme was initially piloted in six (6) provinces using site-based local advisers who provided a practical and customized approach of mentoring, coaching and on-the-job training to staff of provincial and district treasuries. The programme implemented by the government, Department of Finance, with financial support from AusAID and



**Experienced site-based Provincial Capacity Building (PCaB) local advisers are one of the key-drivers for the programme success in the provinces.**

technical guidance by UNDP ran successfully from 2005 – 2007 as Phase I and then entered into Phase II from 2008 to 2012.

Given the success of the Programme over 7 years, as highlighted by an independent review by AusAID in 2010, the Government, AusAID and UNDP unanimously decided in 2013 to scale up the programme to other provinces on a gradual basis, and to include additional governance components, particularly anti-corruption, in the approach.



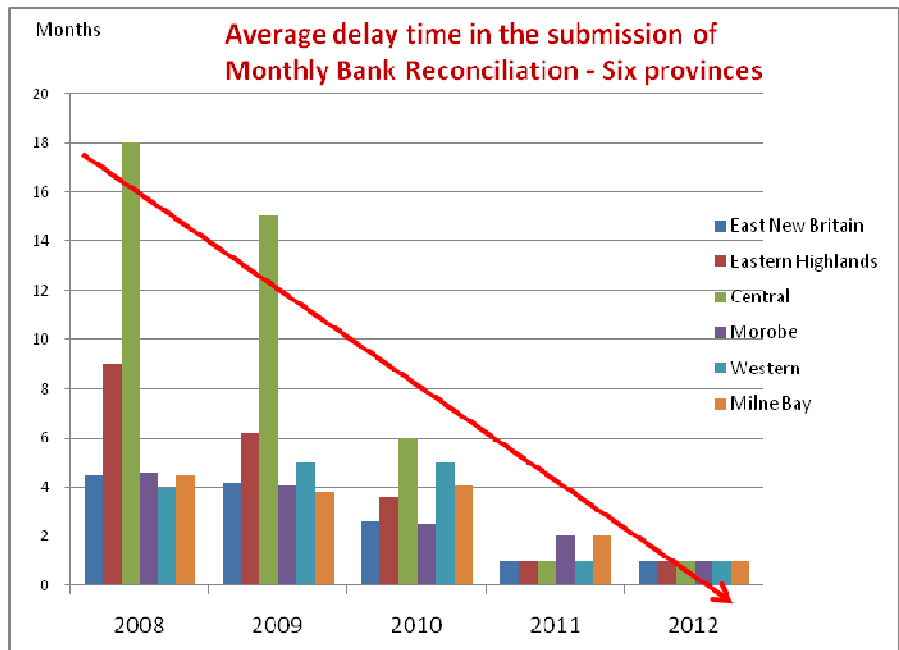
**Capacity for improved service delivery at sub-national levels was a great concern for the PNG government, donors and UNDP**

**Evidence of results achieved at scale and transformational change**

Throughout the seven years of programme implementation, the situation in the six (6) pilot provinces gradually improved significantly, with a more accurate and timely submission of financial reports and bank reconciliations, improving levels of accountability and transparency in the management of public funds. These, in turn, led to additional resources being made available to provincial governments who were then able to deliver more and better services to the population in these provinces.

The programme has built both individual and institutional capacities, which will ensure the sustainability of the programme results over time. The main guarantor for this sustainability was the significant number of DOF staff (74 public servants, 40% women) as mentees in the six provinces. This anchors strong capacity into each of the Treasuries, and allows the advisers to move on to other priority provinces.

Based on the results achieved, the Department of Finance and other relevant government institutions (National Economic Fiscal



Commission, Department of National Planning and Monitoring, Department of Provincial and Local Level Government, and others) have expressed interest in actively participating in the next phase of the programme.

The social dimension of scaling up to new provinces is to give priority to those areas where basic social services are so critically below average standards due to ineffective service delivery that it has led to high levels of poverty. Thus, starting in 2013, the programme covers four (4) new provinces and will gradually incorporate others according to identified needs. Stakeholders have pointed out that new challenges in the management of public funds, such as lack of transparency, accountability and high levels of corruption, should be addressed in the new phase.



**Mentoring, Coaching and on-the-job training is part of the PCaB methodology to build capacity in the provinces & districts**

### Factors important for up-scaling

Four elements have been identified as the key drivers for PCaB success, namely: i) Provincial and District Local Advisers who were permanent residents on site; ii) Strong ownership and political will to support the programme; iii) Practical methodology of on-the-Job training, mentoring and coaching; and, iv) Partnership with stakeholders at national and local levels.

i) The permanent presence of Provincial and District Local advisors on site provides a solid and continuous support to counterparts at provincial and district levels. The consistent interaction with local advisers in these remote geographical areas can facilitate the exchange of knowledge and experiences with the mentees, and thus build their capacity over a period of time. PCaB local advisers were posted for longer periods in the provinces in order to extend and sustain capacity building exercises going down to the districts and Local level Governments.

ii) Strong ownership, political will, leadership and provision of direction by the National Government, in particular the DoF as the implementing partner for the programme, proved indispensable to leverage impact of the programme interventions. The Department of Finance correctly identified the bottlenecks at sub-national levels and tailored the training programme accordingly.

iii) The practical and customized methodology of on-the-Job training, mentoring and coaching allowed adjustment to the local context and targeted evidence and needs-based capacity development support rather than a theoretical or classroom type trainings. This is also a result of the permanent presence of and full understanding by local advisers on site.

iv) The capacity building activities at sub-national levels would not have succeeded if it were not for the involvement of a great number of partners and stakeholders in the process at both national and provincial levels. As such, other development initiatives, government departments and institutions



*contributed with their own resources, lessons learnt and common interests complementing, building on and facilitating each other for greater efficiency and results.*

*These lessons and good practices will be the basis for the further scaling up of PCaB, both in terms of thematic as well as geographical scope. Four new provinces will benefit from PCaB activities starting in 2013, and an additional expansion is being discussed for the programme phase starting in 2014. Priority for programmatic activities is given to the provinces with larger population size and low levels of human development and service delivery. The scaling-up will also take into consideration the increase in funding allocation to LLGs and districts, rather than looking exclusively at the provincial treasuries.*

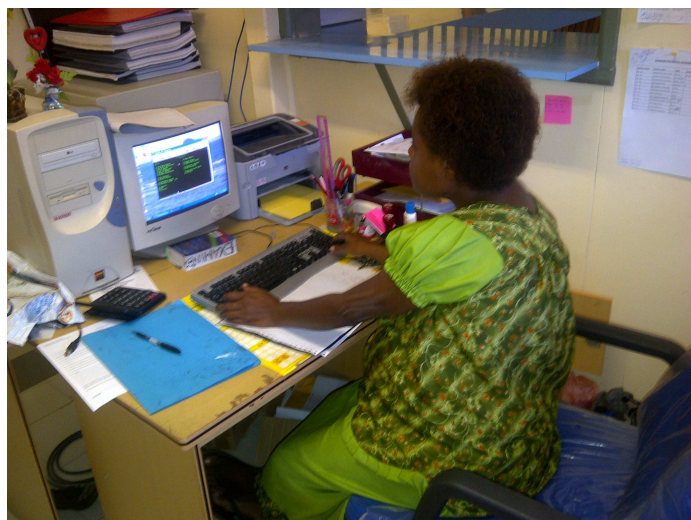
*Thematically, financial management will be linked more closely with strengthening accountability and anti-corruption, as well as the implementation and monitoring of development planning, budgeting and actual service delivery, to ensure the planning-delivery continuum is covered appropriately.*

*The strong ownership of the Department of Finance, who is using this project as a tool to put a stop to leakages in the budget at sub-national level and curb corruption by not only training officers in timely and accurate financial reporting but also introducing online payment to ensure transparency in monitoring payments and a clear link to service delivery for the people, is highly remarkable.*

*The GoPNG through the DoF has already prioritized the scaling-up by committing a budgetary contribution of one million dollars per year for the period 2013-2018.*

## **Challenges circumvented along the way**

*Building the capacity of human beings deals not only with aspects related to knowledge and skills, but also with attitudes and behaviors, customs and beliefs. During the project intervention it was noted and advised that attitudinal problems of staff in the provinces were encountered and the government immediately took disciplinary measures to address these. Another more complex issue related to behavioral and arguably custom practice within the public finances is the level of corruption involved in the management of public funds. The Project raised this concern with the government and donors and all agreed to incorporate this issue as a new project component in the next phase of intervention. Thus, the programme will contribute, collaborate and build on efforts to minimize the risk of corruption in the management of public funds at sub-national levels. In this vein, the Project is working with Provincial Audit Committees, which is a sort of public account committees composed of provincial authorities and civil society representatives to deal with and discuss non-compliance issues in the management of their public funds.*



**Improve service delivery through an accountable and efficient management of public funds in the provinces is the main aim of PCaB programme.**

*As the pilot project has successfully ended, expansion will involve additional responsibilities and challenges. However, the successful experience of the programme so far, including its proven and refined methodology, will allow for more efficient transfer of knowledge and skills.*

*UNDP - building on its comparative advantage and being entrusted by GoPNG and development partners - will continue playing its role as advocate and technical advisor to ensure successful programme implementation, monitoring and evaluation, so that we secure transformative results in the lives of the population.*

## Advice for others

*This initiative can be replicated and scaled up in other countries if considering the following elements:*

- *Use the above-mentioned key drivers or enablers of the PCaB project as a "must".*
- *Don't re-invent the wheel, but use existing resources, structures and initiatives in place to complement, build on and enhance each other.*
- *Don't try to do everything through the project or solve all the problems in the area.*
- *Focus your activities on your comparative advantage, mandate and available resources.*
- *Be realistic in terms of the levels of capacity that are possible and necessary to build and the time required.*
- *Establish base-line data at the beginning of the intervention so progress can be measured and results monitored.*
- *Do a pilot experience in a small or medium size project, testing tools, methodology, capacities and results, and later on expand according to the needs.*

## Resources and contact information

[PCaB Webpage](#)

[PCaB brochure](#)

[PCaB Posters](#)

[PCaB Newsletters](#)

[PCaB Video/PPT  
\(UNDP Roadshows\)](#)

[PCaB Pictures](#)

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