**UNDAF OUTCOME CLUSTER**

Governance for Equitable Development

**INTER-AGENCY OUTCOME**

By 2015, elected representatives and key GoPNG bodies implement good governance practices grounded in accountability, transparency, inclusive participation and equity.

**EXPECTED OUTPUT**

National and sub-national levels of GoPNG have increased financial management capacity to manage the equitable delivery of public services.

**OUTPUT INDICATORS**

1. % of PEFA indicators scoring A or B
2. Number of GoPNG bodies using IFMS system
3. Number of Audit Units or Committees in 20 provinces

**PARTNERS**

1. Department of Finance
2. Department of National Planning and Monitoring;
3. Department of Provincial and Local Level Government
4. Selected Provincial Treasuries from:
   a. Morobe
   b. Western
   c. Eastern Highlands
   d. East New Britain
   e. Milne Bay
   f. Central Province

New additional Provinces
   g. Autonomous Region of Bougainville
   h. Gulf Province
   i. Sandaun Province
   j. Western Highlands Province

5. AusAID
6. UNDP

**PROVINCIAL CAPACITY BUILDING ENHANCEMENT PROGRAMME**

FMIP –PCaB

The vehicle for Government’s financial reforms

www.pcabii.org
**BACKGROUND**

The Provincial Capacity Building & Enhancement Programme (PCaB E) is part of Phase II and the interim part of the new upcoming Phase III that still provides continuous support to the Government of PNG Financial Management Improvement Programme (FMIP) by developing capacity around Public Financial Management at the sub-national level and assisting with the implementation of the Integrated Financial Management System (IFMS).

The PCaB is a joint effort through the Government of Papua New Guinea (GoPNG), UNDP and AusAID. It focuses on capacity building in sub-national treasury functions. It builds on the developments of previous PCaB Phase II initiative, from the FMIP as well as from other sub-national capacity building efforts.

**PROJECT OBJECTIVES**

Provincial Capacity Building & Enhancement Programme (PCaB E) will focus on provincial and district financial management issues in the context of financial reporting to improve service delivery and effectiveness of public service programmes. The proposed goal of PCaB E is to continue strengthening sub-national financial management capacities in a sustainable manner.

To meet this overall goal, the five primary objectives of PCaB E are:

1. Enhance accountability and transparency within the PNG public finances;
2. Improving financial management capacity at sub-national levels;
3. Minimize risk of corruption;
4. Establish Public Expenditure & Financial Management framework;
5. Support efforts for the roll-out of the IFMS in the provinces.

The project implementation is guided by the PCaB Steering Committee, chaired by the Secretary of Finance. Other members consist of an UNDP representative, an AusAID representative, a representative of the Department of Provincial and Local Government Affairs.

**STRATEGY**

PCaB is a specific financial capacity building programme that operates within a broader collection of sub-national capacity support programmes.

PCaB is a catalyzer agent that inter-links several programmes at the provincial and district levels. PCaB has on site provincial and district level advisers. They provide on-the-job training, mentoring and coaching in a daily operational basis to the provincial and district treasury officers.

The primary role of PCaB advisers is to improve capacity of Department of Finance staff submission of financial reports. Timely and accurate submission of financial reports have positive consequences as it results in immediate release of public funds which allow for further service provision in the provinces, districts and LLGs.

The advisers provide a follow up of all financial management efforts developed by the project, from other interventions under the Financial Training Branch (FTB) and Provincial and Local Government Programme (PLGP).

The PCaB programme implements its activities in six pilot provinces, namely: Western, Central, Milne Bay, Morobe, Eastern Highlands and East New Britain. In addition to these provinces, four new provinces have been added in the Enhancement phase. They include Autonomous Region of Bougainville, Gulf, Sandaun (West Sepik) and Western Highlands. The site advisors have built a framework for future implementation of financial management programmes in other provinces and districts covered by the programme.

The PCaB E programme is funded by Government of PNG, AusAID and the UNDP.