

## UNCP OUTCOME

Governance and Crisis Management

## EXPECTED OUTCOME

Provincial and Local Governments plan and manage their finances and support service delivery effectively and efficiently with increased partnership and participation of civil society and private sector.

## EXPECTED OUTPUTS

1. Selected Provincial and District Treasuries have the capacity to prepare and submit accurate financial reports and statements on time.
2. Interns have the capacity to seek and obtain entry level positions in the public service
3. Integrated Financial Management System (IFMS) operational in selected pilot province

## 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
5. AusAID
6. UNDP



FMIP –PCaB

The vehicle for Government's financial reforms



GOVERNMENT OF PAPUA NEW GUINEA  
THE AUSTRALIAN AGENCY FOR INTERNATIONAL  
DEVELOPMENT (AUSAID) & UNITED NATIONS  
DEVELOPMENT PROGRAMME (UNDP)

**DEPARTMENT OF FINANCE**  
**Financial Management Improvement  
Programme**

## PROVINCIAL CAPACITY BUILDING PROGRAMME PCaB II

**IMPLEMENTING AGENCY:**  
DEPARTMENT OF FINANCE

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## BACKGROUND

The Provincial Capacity Building Programme Phase II (PCaB) supports 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 of the Department of Finance (DoF), UNDP and AusAID. It focuses on capacity building in sub-national treasury functions. It builds on the developments of previous PCaB Phase I initiative, from the FMIP as well as from other sub-national capacity building efforts.



## PROJECT OBJECTIVES

Provincial Capacity Building Programme (PCaB) phase II, focuses on provincial and district financial management issues in the context of efforts to improve service delivery and enhance the effectiveness of public service programmes. The proposed goal of PCaB II is to strengthen sub-national financial management capacity in a sustainable manner.

To meet this overall goal, the three primary objectives of PCaB II are:

1. Effective decentralization of financial management, by:
  - supporting efforts to roll-out the IFMS at the national level and prepare sub-national

financial managers for the planned introduction of IFMS;

- Supporting the district treasury roll-out through training and capacity building initiatives.
2. Enhanced accountability and transparency, by:
    - improving the quality and timeliness of financial reporting at the sub-national level to ensure compliance with legal requirements and to provide sub-national administrations with accurate and up-to-date information on their finances;
    - Supporting effective treasury management systems incorporating more effective use of ICTs.
  3. Improved financial management capacity, by:
    - building sub-national capacity to implement the Public Finances (Management) Act and the Organic Law on Provincial and Local Level Governments;
    - improving strategic planning and coordination of treasury functions (within treasuries and with the administration) at sub-national levels;
    - Ensuring better delivery and dissemination of training and research on sub-national financial management, drawing on the experiences of the provinces that have taken early initiatives to improve financial management.

The project implementation is guided by the PCaB Steering Committee, chaired by the Deputy Secretary of the DoF. Other members consist of a UNDP representative, a AusAID representative, a representative of the Department of Provincial and Local Level Government and other selected government Departments and Civil Society Organizations.

## STRATEGY

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

PCaB is a catalyzer agent that inter-links programmes at the provincial and district level. It has in site provincial and district level advisors who provide on-the-job training, mentoring and coordinate a daily operational basis to the treasury offices. It also provides a follow up of all financial management training efforts developed not only by the project but also from other interventions such as from the Financial Training Branch (FTB) and the Performance Improvement Initiative (PPII).



The PCaB programme implements its activities in pilot provinces, namely: Western, Central, Milne Bay, Morobe, Eastern Highlands and East New Britain. Site advisors built a framework for implementation of financial management programmes in other provinces and districts, not covered by the programme.

The PCaB phase II project is funded by AusAID, UNDP and the Government of PNG for a period of two years, 2011-2012.