

# Provincial Capacity Building Programme Phase II



## Background

UNDP has been part of the government decentralization process in Papua New Guinea since 1995. Several projects have been in place to support provincial treasury offices and other parts of government. The Provincial Capacity Building Project (PCaB) is the result of these consultations which have sought to further consolidate the results achieved.

## Purpose of project

PCaB is the UNDP-supported component of the PNG Government's overall Financial Management Improvement Programme (FMIP) and focuses on capacity building in sub-national treasury functions. The institutional capacity challenges faced by sub-national authorities remain enormous. The future program design builds on the foundations laid by PCaB and previous initiatives such as SPFMTP. It takes into account the developments of other components of the FMIP as well as sub-national capacity building efforts by other arms of the Government including the Provincial Performance Improvement Initiative (PPII).

PCaB II is consistent with the overall aim of the FMIP, which is "to implement best practice and transparency in government financial management within and between National, Provincial and Local-level Governments in Papua New Guinea."

## Key results and Reports

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 decentralisation of financial management
2. Enhanced accountability and transparency
3. Improved financial management capacity

## Main activities

- 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.
- 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.
- 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.

## Contributing donor(s)

AusAID, UNDP, GoPNG

## Duration

2008 - 2012

## Total budget

USD 3.8 million for three years (2008-2010), with a two-year extension subject to mid-term review.

## **Project Partners**

### **Implementing Partner:**

PCaB II is being implemented by the Department of Finance with financial resources coming from AusAID.

### **Responsible Parties:**

N/A

### **Other Partners:**

N/A

## **Location**

National

## **Thematic Area**

Corporate Thematic Area: Democratic Governance

## **Millennium Development Goal**

Goal 1: Reduce poverty by one half

## **Contact**

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