Early Warning System

ADB-50204-001

Supporting Public Financial Management (Phase 3)

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Quick Facts

Countries	Papua New Guinea
Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	B
Voting Date	2016-10-19
Borrower	Government of Papua New Guinea
Sectors	Law and Government, Technical Cooperation
Investment Type(s)	Grant
Investment Amount (USD)	$ 1.00 million
Project Cost (USD)	$ 1.00 million

Project Description

The government of Papua New Guinea has requested technical assistance (TA) from the Asian Development Bank to address macroeconomic challenges and the urgent need to strengthen government capacity for policy development and implementation. The TA will support strategic budgeting within a sustainable medium-term fiscal framework, and the efficient and effective management of public funds in light of highly volatile revenues from natural resources. The TA will be implemented over 36 months from November 2016 to October 2019.

The TA has two outputs:
(i) Prioritized spending within a sustainable fiscal envelope supported. The main focus of this output is policy advice on and technical support for economic and fiscal analysis and upstream public financial management (PFM). Activities would include developing a credible, regularly updated medium-term fiscal strategy; annual budgets; and in-year budget reporting. The output also aims to strengthen budget processes and formats to increase the sustainability of ADB's support. The output will explore the possibility of increasing public engagement in
the budget process, in coordination with the communication activities in output 2. The output also provides flexible support for reforms in economic management, upstream PFM, and downstream PFM to respond to evolving reform needs and political windows of opportunity. Potential reform areas in downstream PFM, which aim to improve spending in line with a credible budget, include support for internal controls, compliance with budget execution rules and procedures, and management of government trust accounts. Flexible support under this output will be prioritized in close consultation with government stakeholders and development partners.

(ii) Fiscal and public financial management reform program communicated effectively to all stakeholders. This output aims to support output 1 by facilitating a constructive reform dialogue among key stakeholders (national and subnational public sector, the private sector, and the general public), and by supporting coordination, cooperation, and buy-in among all affected groups. This also aims to help the government signal commitment to prudent fiscal management and support for the private sector. A brief, focused communication strategy will assess existing limitations in government communication, define reform priorities, and identify effective and efficient communication channels for targeted audiences. It will then focus on facilitating better internal and external communication, including informal coordination forums, regular press briefings, policy briefs, and economic updates. The TA will build the government's communication capacity through training and mentoring.

Investment Description

- Asian Development Bank (ADB)

Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- Project Disclosure PDF
- Supporting Public Financial Management (Phase 3): Technical Assistance Report [Original Source]