

Support to Administrative Reform and Decentralisation Program (Phase 4) PN 2011.2081.5

Submission of an
Offer for the implementation of a follow-on phase
at an estimated offer price of up to EUR 3,000,000.

CRS code: 15110; 15112

DAC and BMZ markers

GG (gender equality):	1
PG (Participatory development / Good governance):	2
UR (Environmental protection and resource conservation):	0
TD (Trade development):	0
DES (Combating desertification):	0
KLM (climate change, reduction of greenhouse gas):	0
KLA (Adaptation to climate change):	0
BTR (Biodiversity convention):	
PBA (Programme-based approach):	1
AO (Poverty orientation):	MSA
LE (Rural development and food security):	1
KR (Crisis classification):	-

After a review of alternative options, the TC measure presented in the offer and its promotion are held to yield the most favourable relationship between the purpose of the TC measure and the funds to be used.

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Support to Administrative Reform and Decentralisation Program (Phase 4) PN 2011.2081.5**List of Abbreviations**

ADB	Asian Development Bank
AP 2015	Action Programme 2015
ARDP	Administrative Reform and Decentralisation Programme
AusAID	Australian Agency for International Development
AWPB	Annual Work Plan and Budget
BMZ	Federal Ministry for Economic Cooperation and Development
CAR (CAR-S)	Council for Administrative Reform (-Secretariat)
CIM	Centre for International Migration and Development
DFID	Department for International Development UK
DM Fund	District and Municipal Fund
DP	Development Partners
EU DP	European Development Partners
EU	European Union
FC	Financial Cooperation
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IP3	Implementation Plan (= Three-Year Plan 2011-2013 for the NPSNDD)
JICA	Japanese International Cooperation Agency
MDG	Millennium Development Goal
M&E	Monitoring and Evaluation
Mol	Ministry of Interior
NCDD (NCDD-S)	National Committee for Democratic Development (- Secretariat)
NPAR	National Programme for Administrative Reform
NP SNDD	National Programme for Sub-National Democratic Development
PAR	Public Administration Reform
PBA	Programme-Based Approach
PFM	Public Financial Management
POC	Priority Operating Costs
PPReview	Project Progress Review
PPReport	Project Progress Report
RGC	Royal Government of Cambodia
Sida	Swedish International Development Agency
SPACE	Strengthening Performance, Accountability and Civic Engagement
SSCS	State Secretariat for Civil Service
TWG DD	Technical Working Group Democratic Decentralisation
TWG PAR	Technical Working Group Programme Administrative Reform
TC	Technical Cooperation
UNICEF	United Nations Childrens' Fund
UNDP	United Nations Development Programme
WB	World Bank

A.1 Summary

The Cambodian Government has defined democratic decentralisation and improving public service delivery as important reform objectives, which should improve the space for political participation, increase state accountability to the citizens, and thereby guarantee that the state acts in a democratic accountable manner. The programmatic requirements towards achieving these reform objectives (*National Programme for Sub-National Democratic Development, National Programme for Administrative Reform*) have been established within the respective institutions and anchored through national laws. The capacity of national and sub-national actors, however, does not correspond with demands for efficiency, transparency and accountability to citizens (the core problem). The program's overall objective is therefore that national and sub-national agencies are more efficient, transparent and accountable to the citizens in fulfilling their responsibilities. The program will be implemented through a democratic decentralisation component and an administrative reform component.

The program's relevance results from the alignment with the national reform programmes mentioned. The decentralisation component focuses on enabling district and municipal councils to realise their decision-making and oversight rights over, and include citizen's view in their decision-making processes. The principle of democratic accountability should be anchored within the implementation of the reform. Improved personnel management for public civil servants will be promoted by advising on the application of human resource management instruments, by measuring their impact, and by supporting the development of a human resource implementation strategy, which incorporates performance and gender aspects. The program's methodological approach combines a systematic linking of policy, expert, organisational and procedural advise. Civil society organisations as well as the National League of Communes/Sangkat will be included in the national consultative processes, and where appropriate be involved at the sub-national level to support councils. The program's significance lies in its support of the partners in developing content, strategies and instruments for implementing their reform programme.

Consultations are still in progress regarding a continuation of delegated cooperation with Sida and the EU on the decentralisation component. The program's support components are national/international short and long-term advisors, training, procurement to a limited extent, and local subsidies. The overall intended duration covers 13 years (01/2002 until 12/2014). The total costs of the German contribution are estimated at up to EUR 10,000,000. The current phase runs from 07/2012 until 12/2014. The cost of the German contribution for this phase amounts to EUR 3,000,000.

Support to Administrative Reform and Decentralisation Program (Phase 4) PN 2011.2081.5**A.2 Context in the priority area****A.2.1 Problem analysis, Objectives and Strategies of the Partner Country in the (Sub-)Focus Area**

Cambodia has progressed in the establishment of state, social and economic structures. Violent internal conflicts have largely ceased, and the social and economic conditions for the majority of the people have – from an extremely low starting point – improved. Political elections have regularly taken place. State institutions on a national level, and increasingly those across the country, are providing a growing number of public services. These steps forward are impeded by remaining deficits. These include economic and social inequality of different population groups, which is reflected in the growing disparity in income levels. The ruling *Cambodian Peoples Party* (CPP) is increasingly becoming a "state party"; its control of all three branches of the state (executive, legislative and judicial) making a separation of powers more difficult. National and sub-national decision-making and administrative processes are generally not very transparent or democratically accountable; they take insufficient account of local needs and interests. Minority and disadvantaged groups face difficulties in having their interests met. Gender equality is enshrined in the constitution and in laws, and women are playing an important role in economic life. They remain under-represented, however, in public life (political bodies, government). Strengthening an administration that implements democratically-legitimate decisions is hindered by parallel structures, which make informal political and economic decisions without public accountability (e.g. structures of the ruling CPP). While participatory political processes are formally in place (complaint mechanisms, elections), their effectiveness is undermined by these parallel structures.

The implementation of the decentralisation reform requires not only that sets of regulations be completed, but also that existing regulations be applied. The district and municipal fund envisaged in the 2008 Organic Law has not yet been established. Sectoral decentralisation has not yet progressed to provide local sub-national bodies with a clear understanding of their responsibilities. Councillors are frequently uncertain about their mandate and their responsibilities; the anyhow few female councillors have difficulties in actively participating at council meetings. The National Committee for Democratic Development (NCDD) and its secretariat are still being established. Despite formal gender strategies, there is insufficient support for women within the public administration. The administrative capacity at all levels is limited due to an inadequate remuneration system, the associated lack of motivation for public officials, as well as insufficient human resource management systems. Core processes of the public administration, like human resource and financial management, procurement and planning remain under-developed. (**Causes**).

State institutions on the national and sub-national levels are therefore unable to fulfil their responsibilities efficiently, and fail to carry out these out in a transparent and democratic accountable manner (**Key Problem**). The low-level of capacity and transparency within public institutions weakens the legitimacy of the state as a whole, and reduces the willingness of citizens to become engaged in public decision-making processes. Sub-national representa-

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tive bodies are not yet accepted as effective instruments of local decision-making. Transparent discussion of decisions made by political and administrative bodies is difficult; there is a lack of accountability processes between elected representatives and the people, which are necessary for a democratic state. (**negative effects**).

The government is making efforts, using three complex and complementary reform programs, to further strengthen functional state institutions: Public Financial Management Reform (PFM) is meant to improve budget and financial management. Public Administration Reform (PAR) focuses on aspects of internal capacity of state institutions (salary systems, human resource management, organisational development, human resource development). Sub-National Democratic Development (SNDD) targets the establishment of political and administrative structures and processes, which will enable elected councillors to give guidance to the administrative structures, to decide on the use of financial resources in dialogue with the local people, and to generally take into account the interests of the local people including minority groups within their local spheres of influence.

Both of the program components align with elements of two of the three reform programmes (PAR and SNDD), and seek to support the respective partner institutions in their further development and implementation. The aspect of democratic accountability is a guiding principle of the “democratic decentralisation” component, i.e. strengthening the democratically legitimized councils *vis-à-vis* the administration and in dialogue with citizens. The administrative reform component focuses on the introduction of improved human resource management instruments as part of a comprehensive public administration reform, particularly as a complement to a reform of the remuneration system. Both components work together to support the development of a policy paper for sub-national administration personnel required within the context of implementation of the Organic Law.

Overall, the Program Progress Review has confirmed the program's conceptual approach. The joint European approach gives the support provided in the area of decentralisation increased leverage; democratic accountability as the key topic helps to coherently align the program's support areas. Democratic accountability has been prominently anchored within the three-year implementation plan (IP3) of the national programme; the joint development of the first chapters of the Council Handbook contributes to the sustainability of the topic in the partner structures. Intensive partner participation during the handbook development (including the participation in the pilot implementation in the two target provinces) has also increased ownership. Initial reactions from the target provinces have verified the relevance of the handbook and the effectiveness of the coaching approach used by the program (in contrast to the traditional training method); the coaching method should therefore be maintained in the next phase. The program has also provided an important contribution to the functional assignment process in terms of supporting the harmonisation of donor contributions and ensuring the thematic leadership of the NCDD-S. Important elements of the citizen survey developed by the program have been incorporated into the decentralisation M&E system developed by NCDD-S.

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Within the administrative reform, progress is slower, which is due to a high level of political sensitivity, the great need for coordination with other ministries, and the government's slow implementation of the agreed reform steps. For example, the agreed indicator of the TWG PAR on salary reform has not yet been achieved. Positive is the consensus by the European Development Partners not to pay Priority Operating Costs (POC) from July 2012 onwards. The program provided important contributions to develop the instruments for human resource management and human resource development. CAR-S was supported during the inter-ministerial consultation on these instruments, which included numerous meetings and revision processes. The involved ministries confirmed that there has been an improvement over the past years in the inter-ministerial consultation through the network of contact persons in each ministry. Important lessons for the next phase, include the strong alignment with the partners (e.g. incorporation of the activities within the IP3, development of products by joint teams) and the increased use of partner systems where such systems already exist and are functional (example: use of the M&E system of NCDD-S as well as improvements to the M&E system for the human resource instruments developed by CAR-S). The thematic focus of the next phase places a stronger emphasis on linking the two supported reform programmes. The indicators at the programme objective level were slightly adjusted.

A.2.2 Activities of other donors, harmonisation of donor contributions

Since early 2010, DFID, Sida, the EU and Germany have been co-financing a joint programme to support democratic decentralisation. The SPACE programme is being implemented by GIZ as part of ARDP III using co-financing from the other European DPs. An additional co-financing by the EU and Sida is under discussion for the Phase IV of ARDP but a final decision has not yet been reached. Coordination among the EU DPs is based on the focus on democratic accountability and people's participation. In mid-2011 a number of DPs signed a PBA agreement with the RGC. As the PBA does not include concrete targets or management structures, Germany has not yet joined the agreement. The IP 3 approved in 2011 for the NP-SNDD, covering 2011-2013 as well as its annual work and budget plans, provide an adequate basis for aligning the contributions of the DPs with the government's plans and harmonising among the individual contributions.

Since 2011, Sida has provided extensive financing to NCDD-S in addition to the co-financing for SPACE; it has not been decided yet to what extend this support will be provided beyond the end of 2012. Likewise, the EU has planned a financial contribution from 2013, and details are currently being negotiated with NCDD-S. In addition to the financial support to NCDD-S, the EU plans to support the National League of Communes/Sangkats through a programme implemented by UNDP. ADB is negotiating a loan to finance the construction of council buildings and for the DM Fund. JICA supports with technical cooperation providing training and capacity development for civil servants dealing with provincial planning. DPs like AusAID and UNICEF increasingly work on sectoral aspects of decentralisation (health, women & children). The WB is currently only financing one ongoing programme (Demand for Good Governance); the planning for a new program has been suspended due to overall tension between the WB and RGC.

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Within the area of administrative reform aside from Germany, the WB is active to a limited degree. ADB supports training activities, but coordination only happens on a limited basis. The European DPs have agreed that from mid-2012 they will no longer finance Priority Operating Costs (POC). A consensus on this point should also be formed with other DPs.

There are Technical Working Groups (TWG) in both areas, which function as formal discussion and coordination forums between the RGC and DPs. The TWG DD is currently being led from the donor side by Sida and ADB; the TWG PAR is lead from the DPs side by the WB and Germany.

A.3 Approach of the German development cooperation programme

N/A, individual proposal

A.4 Proposed measures to be taken by BMZ**A.4.1 Measures within the scope of the political and priority area dialogue**

Within the context of the policy dialogue, the importance of the remuneration reform as prerequisite for a sustainable improvement of the public service delivery should continue to be addressed.

A.4.2 Necessary modifications to the delivery of German development cooperation

None

A.4.3 Modifications requiring approval and need for BMZ to act with respect to individual measures that are already being implemented

None

B.1 Brief description

N/A, individual proposal, refer to A.1

B.2 Problem Analysis

N/A, individual proposal, refer to A.2.1

B.3 Description of the TC measure**B.3.1 Objectives and indicators**

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B.3.1.1 Objectives and indicators

The **programme objective** remains:

National and sub-national government agencies are more efficient, transparent and accountable to the citizens in fulfilling their responsibilities

The **indicators** are as follows:

1. Citizens (male and female) increasingly view their government as efficient, transparent and responsible, measured against an index value that increases by 5 percent every two years (Initial values 2011: Battambang: 62.3, Kampong Chhnang 60.1; Source: M&E report of the NCDD-S)
2. The capacity of (male and female) civil servants within at least one sector ministry increases every two years by x percent (benchmarks will be set in a gender-differentiated index in the next Progress Report)

B.3.1.2 Component and phase objectives and indicators

Component 1: Democratic Decentralisation

Component objective:

Structures and procedures for democratic accountability are implemented at sub-national level.

Indicators:

1. NCDD-S has introduced a nation-wide gender-sensitive facilitation system for municipal and district councils; for example: chapters of the technical document, coaching material. (Source: reports by the NCDD-S; technical document and facilitation/coaching materials)
2. Four districts/municipalities act democratically based on: a) a public forum is held annually, b) recommendations from the forum are presented at council meetings, c) council decisions are increasingly implemented by governors and administration. (Source: bi-annual M&E report from NCDD-S; council meeting minutes; report from the board of governors)
3. In the six cities and districts, with which the program cooperates, the council deliberates at least two proposals presented by female councillors each year. (Source: bi-annual M&E report from NCDD-S, council minutes).
4. Core elements of functional assignment, (Functional Mapping, Functional Review) are applied in at least two sectors. (Source: IP3 annual report from NCDD-S)
5. A policy paper for SNA personnel, which includes gender aspects, is jointly developed by SSCS and MoI in close cooperation with NCDD-S and CAR-S. (Source: IP3 annual report from NCDD-S).

Component 2: Administrative Reform

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Component objective:

Human Resource Management within the Public Administration is improved.

Indicators:

1. The example of implementing human resource management components in one sector Ministry is available for the development of the human resource strategy and an M&E system. (Source: Agreement between sector ministry and CAR-S specifying the instruments; work reports within the sector Ministry or of CAR-S)
2. An inter-ministerial network regularly discusses the implementation and improvement of the human resource management components as a contribution to the human resource strategy. (Source: Meeting protocols, CAR-S work reports)
3. In consultation with the sector ministries, CAR-S approves a comprehensive strategy to implement human resource components, which includes performance management and gender aspects. (Source: Human resource strategy)

B.3.2 Target groups and other stakeholders

The **target group** consists of the entire population of Cambodia, since the reforms improve access to public services as well as participatory opportunities for all citizens. A number of the activities have an impact for disadvantaged population groups (poor, women) and improve their scope of political participation.

B.3.3 Partner structure: executing agencies and intermediaries

B.3.3.1 Lead executing agency

The political executing agencies are the National Committee for Sub-National Democratic Development (NCDD) and the Council for Administrative Reform (CAR).

On placement of the contract for cooperation, the lead executing agency has the right to demand the services to which it is entitled direct from GIZ. GIZ and the lead executing agency shall regulate the details in an implementation agreement. BMZ may exercise its rights pursuant to the contract for cooperation, in particular those arising from the General Agreement, without the approval of the lead executing agency.

B.3.3.2 Implementing organisations in the partner country and other intermediaries

On the national level, the implementing organisations are the NCDD Secretariat (NCDD-S), the Ministry of Interior (MoI) and the CAR Secretariat (CAR-S). In the two target provinces (Kampong Chhnang and Battambang) selected councils as well as specialist and senior staff within the administrations will be advised. The intermediaries are (i) specialist and senior personnel of the implementing organisations, of the State Secretariat of Civil Service (SSCS) responsible for civil service, as well as of selected sector ministries, (ii) the advisors and coaches under contract with the NCDD-S, and (iii) employees and representatives of univer-

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sities, research institutions, the National League of Communes/Sangkats and selected civil-society organisations.

The three implementing organisations have increasingly well-qualified and motivated personnel on a higher management level; these individuals, however, are often insufficiently trained in specific topics and on the management of the necessary inter-ministerial coordination processes. At the highest leadership level, a stall in decision-making is observable due to a delegation “to the top” and this has slowed the implementation of the reform programme. On the sub-national level, there are deficits in the councillors’ capacities and understanding of their role as elected representatives of their constituents’ interests as well deficits of the administration staff. There continues to be a low degree of understanding and acceptance of democratic development, transparency and citizen-orientation at the political, administrative and citizen levels.

B.3.4 Design of TC measure

B.3.4.1 Methodological approach and support areas

The relevance of the programme is based on the strong alignment with the implementation strategies submitted by NCDD and CAR for the “democratic decentralisation” and “administrative reform” which constitute the conceptual framework of the support. Recommendations of the Ministry of Women’s Affairs’ strategic five-year plan, particularly to strengthen the capacity of politicians and officials have been incorporated into the program concept and approach. The contextual orientation of the European DPs in supporting decentralisation, namely “democratic accountability”, remains the guiding principle of component one. In addition to supporting the implementation of human resource management instruments in a sector ministry, for component two, the focus is also on efforts to increase the understanding and political will for a compensation reform as a pre-requisite to strengthening the efficacy of the human resource instruments. Both components support reform efforts towards long-term strengthening of partner systems on national and sub-national levels. The methodological approach for this phase will be further developed in two aspects: i) greater focus on the implementation of the legal framework developed during the third phase, and ii) attention to the linkage between the two reform programmes; this should take place through the support on the design of a strategy for a sub-national human resource management system.

The following strategic starting points are in the centre: (i) Councils on municipal and district level must be enabled to take on the decision-making and monitoring rights provided in the Organic Law in 2008 and to use inclusive, transparent processes for their decision-making processes; this will expand the room for political participation. For this, the program supports the NCDD-S in developing a technical document for councils and the corresponding coaching materials; both integrate gender aspects into the contents and methods. The program tests the application of the technical document and the coaching materials in a total of 6 municipalities and districts within the two target provinces (Kampong Chhnang and Battambang), ensures that the lessons learned are used at the national level, and advises the

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NCDD-S in the implementation of a country-wide capacity development strategy for the councils. Particular support activities for female councillors in these provinces should strengthen their capacity for raising their issues and interests. (ii) The NCDD-S will advise on the continued development of the legal and political framework for decentralisation, including how aspects of “democratic accountability” can be anchored within the regulations (e.g. on the implementation of sectoral functional assignment). (iii) There will be support for improved human resource management within Government by developing a human resource strategy that includes performance and gender aspects; this will incorporate, among other things, experiences with implementation of selected human resource management components within a sector ministry. An inter-ministerial network will be used for exchanging experience regarding the human resource Policy components and the development of a human resource strategy to implement the components. (iv) The establishment of a personnel management system for sub-national administrations, resulting from the 2008 Organic Law, will be support through joint advisory support to MoI, SSCS, NCDD-S and CAR-S.

The program's methodological approach is based on a systematic linking of policy, specialist, organisational and procedural advise. Gender aspects and – where appropriate – women's empowerment are systematically integrated within the activity's contents and processes. Both national reform programmes are characterised by complex multi-player stakeholder landscapes in which the partner organisations must prepare the contents and moderate a political process thereof. Using the multi-level approach in component one, the program should ensure that lessons learnt at the sub-national levels are incorporated into national processes. Civil society organisations as well as the National League of Communes/Sangkats will be included in national consultative processes, while also being involved in supporting the councils at the sub-national level when appropriate. The implementation strategies for both reform programmes will be updated during the implementation process; in this process a growing sensibility towards minority issues should be generated. This approach requires that the program provides flexible support, identifying the concrete support packages together with the partners, and integrating the support activities into the annual work programmes of the partner organisations. This strong integration of the program activities makes it difficult in some cases to separate the results generated by the program from the results of the partners. The elections in 2013 are expected to require considerable personnel and management capacities from the implementing partners and therefore could lead to decision-making processes slowing down; in this case, the program will also have to react flexibly to the partners' work plans. The program's significance lies in the joint development of content, strategies and instruments for implementing the national reform programmes. In both reform processes, existing forums for discussion between the government and the development partners (the TWG) are important for exchanging experiences, conducting policy dialogue, and coordinating support measures by the partners. In the administrative reform TWG, Germany functions as a co-lead facilitator along with the World Bank. Cooperation with training and research institutes helps to ensure broad effectiveness and sustainability of the reforms, and to use the perspective of these institutions to further develop the reforms. The strategy of this final phase of the program is focused on mainstream-

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ing important aspects (example: the principle of citizen orientation as a guiding principle for council action) within the national reform programmes together with supporting sets of regulations, and to introduce important instruments and methods (e.g. the coaching approach or inter-ministerial networks) into partner and implementing agencies so that they can also be used to further develop the national reform programmes. The close alignment with national strategies and the intensive partner's involvement are important pre-requisites for the country's institutions taking on the innovations developed by the program.

The program's support includes international and national long and short-term advisors, training activities, supplies and equipment (to a very limited extent), and local subsidies (e.g. for training activities, events and publications). A regional exchange on "functional assignment" is envisaged.

The program contributes to achieving MDGs 1 (poverty reduction) and 3 (gender equality) and includes aspects of the AP 2015 "secure the participation of the poor – strengthen good governance". A contribution will also be made to realising Agenda 21 through poverty reduction (Chapter 3), the strengthening of civil society actors (Chapter 27) and local self-government (Chapter 28) as well as the promotion of women (Chapter 24). The program likewise acts in support of the HABITAT II Agenda (strengthen decentralised structures, promote local capacities and target group orientation). The program follows the policy guidelines of the following BMZ concepts and strategies: promotion of good governance in German development policy (2009), environmentally equitable local and municipal development (1995), gender equality (2001). It contributes to the Action Plan for Human Rights (2008) and the Gender Action Plan (2009). It has a contextual and methodological link to the BMZ profile of German DC in Asia within the areas of democratisation, good governance and conflict transformation (2008), the BMZ strategy paper on DC in Asia (2011), and the BMZ concept on the implementation of human rights within German DC (2011).

B.3.4.2 Programme-Based Approaches (PBA)

The national reform programmes on decentralisation and administrative reform represent the program's conceptual framework. A comprehensive implementation framework exists for the NP-SNDD in the form of multi-year plans and annual work plans and budgets, which are used jointly by the government and development partners, and which form the basis of this program. The program is given the criteria **PBA-1**.

B.3.4.3 Public Private Partnership (PPPs)

The program's objective is to advise state framework conditions, and the potential for PPP is not evident; therefore it has the criteria PPP-0.

B.3.4.4 Interaction with other development cooperation measures

TC Instruments: access to sector ministries through existing cooperation with other German TC programs has made it easier to advise on sector aspects of decentralisation (e.g. func-

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tional assignment). This is particularly the case with the program: Social Health Protection (PN 2009.2169.2). In addition, the cooperation with the programme: Regional Economic Development – Green Belt Siem Reap Province (PN 2009.2170.0) is particular important as it allows for procedures and instruments to be further tested. To support the administrative reform, there is cooperation with the CIM expert within the *Council for Legal and Judicial Reform* (CLJR) regarding support to the administrative procedural law. Selective cooperation takes place with the political foundations particularly to strengthen political participation of disadvantaged groups.

B.3.4.5 Regional delimitation

The impact of this programme applies country wide. Some selected activities will be implemented in the two target provinces Kampong Chhnang and Battambang, and will have their impact in these areas.

B.3.5 Total Costs, partner inputs, contract value, combined financing, term

B.3.5.1 Contract value

EUR 3,000,000

B.3.5.2 Partner inputs

Partner contributions are estimated at EUR 100,000 and will be provided in the form of office space in five locations (NCDD-S, Mol, CAR-S, target provinces) (EUR 30,000), around 25 staff at different locations (EUR 30,000) and supplies (EUR 10,000). Additional partner funds will be provided for the country-wide dissemination of specific program products, e.g. the Technical Document for Councils.

B.3.5.3 Combined financing

None

B.3.5.4 Term

Overall duration from 01/2002 until 12/2014 (13 years)

Support phases:

1st Support Phase from 01/2002 until 12/2004 (3 years)

2nd Support Phase from 01/2005 until 12/2007 (3 years)

3rd Support Phase from 01/2008 until 06/2012 (4.5 years)

4th Support Phase from 07/2012 until 12/2014 (2.5 years)

Support to Administrative Reform and Decentralisation Program (Phase 4) PN 2011.2081.5**B.3.6 Results and risks of the TC measures****B.3.6.1 Anticipated results affecting the executing agencies and intermediaries**

Both reform programmes raise considerable demands on the specialist and management capacities of the partner organisations. The organisations are supported through targeted training of their staff, appropriate process design, and establishment of coordination and communication procedures with other government institutions. Over the medium-term, this should ensure the establishment of the necessary capacity of partner organisations to implement the reform programmes.

B.3.6.2 Results Chains and Criteria

NCDD-S will be supported in developing additional chapters of the Technical Document for Councils and the corresponding facilitation/coaching materials; these will be tested in selected municipalities and districts in both target provinces. Aspects of gender equality will be taken into account throughout this process. NCDD-S will be advised on the development of a system for country-wide dissemination of technical documents and facilitation/coaching materials for councillors. The female councillors, who are organised within informal networks in the two target provinces, will be empowered to formulate and present proposals at council meetings. Guidelines on key elements of functional assignment (Functional Mapping, Functional Review) will be finalised by NCDD-S with the participation of relevant actors (selected sector ministries, NLC/S, civil society organisations). A regional exchange (e.g. with Indonesia) on functional assignment will be established. In close coordination with NCDD-S and CAR-S, Mol and SSCS will be supported in drafting a joint concept paper for sub national administration personnel. NCDD-S will be supported in finalising its M&E system for the NP SNDD and IP 3 through the provision of learning experiences from monitoring within the two target provinces.

CAR-S will be supported in identifying a sector ministry and in preparing for the application of jointly selected human resource management components. CAR-S and the sector ministry will be supported in the development of an M&E system for measuring changes in performance resulting from the application of the instruments. An inter-ministerial network on human resource issues will discuss application experiences with HR management instruments. CAR-S will be supported in developing a comprehensive HR strategy to implement HR components; this HR strategy should take into account performance and gender aspects (**outputs**).

Council members within the districts and municipalities in the two target provinces use the Technical Document for Councils and the supplementary facilitation/coaching materials to introduce transparent decision-making processes. NCDD-S distributes the technical document through its nationwide facilitation/coaching system. Female councillors in the two target provinces use informal networks to formulate concrete council proposals and to exchange experiences. Two selected sector ministries supported by NCDD-S use the guidelines on

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functional assignment and apply within their sectors. MoI and SSCS define in close coordination with CAR and NCDD-S, concrete elements of a policy for civil servants at the sub-national level, which incorporates elements of gender equality.

At least one sector ministry, with support from CAR-S, implements the selected human resource management components. Experience gained during implementation will be incorporated into developing the human resource policy implementation strategy and the M&E system. CAR-S uses the results of the inter-ministerial exchange to improve human resource management components, contributing to the human resource policy implementation strategy. CAR-S consults with sector ministries on the finalisation and approval of a comprehensive human resource policy implementation strategy. (**outcome or use of outputs**).

Through the dissemination and application of the Technical Document for Councils, the strengthening of female councillors in presenting proposals at council meetings, the concretisation of functions within the sectors as well as through the clarification of open questions for sub-national level civil servants structures and processes at the sub-national level for political participation, democratic accountability and citizen-orientation will be implemented. Human resource management within the civil service will be improved through the application of human resource elements, the use of an inter-ministerial network introduced by CAR-S as a discussion forum, and the formulation of a human resource implementation strategy that includes performance and gender aspects. These factors lead to national and sub-national Cambodian government bodies fulfilling their responsibilities to the citizens more efficiently, transparently and responsibly (**direct impacts or result**).

Increased efficiency and transparency in government institutions increases citizens' trust in Cambodian administrative structures, ensures decision-making processes oriented towards the needs of the people (e.g. in terms of local services), and increase the oversight of the democratically legitimate councils at the sub-national levels through consultation and accountability (**indirect impacts**). Democratic structures and processes are consolidated; conditions improve for poverty reduction and gender equality (**development policy impacts**).

GG (Gender Equality): Supporting female councillors in exercising influence on policy at the sub-national level and the establishment of a gender-sensitive human resource management system are important additional objectives. The program has the criteria **GG-1**.

PG (Participative Development/Good Governance): Enabling the newly elected district and municipal councils to take on their decision-making and oversight rights is at the centre of Component 1; the councils' capacity for action should be built on people's participation, transparency and accountability. This will contribute to the creation of important framework conditions for political participation. Strengthening the personnel management system of the public sector (focus of Component 2) and developing a concept for the sub-national personnel management system contribute to the establishment of a sub-national human resource system focused on performance and transparency. Both of these support good governance on the national and sub-national levels. The program receives the criteria **PG-2**.

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UR (Environmental and Resource Protection): The program does not have any environmentally relevant impacts and therefore has the identifier **UR-0** (need for action: no).

TD (Trade Development): The program is not focused on promoting trade and therefore receives the criteria **TD-0**.

DES (Combating Desertification): The program is not focused on combating desertification and therefore receives the criteria **DES-0**.

KLM (Climate Change, Reducing Greenhouse Gas Emissions): The program does not contribute to a reduction in greenhouse gas emissions; it has the identifier **KLM-0**.

KLA (Climate Change Adaptation): The program does not contribute to climate change adaptation; it has the identifier **KLA-0**.

BTR (Biodiversity Convention): The issue of biodiversity is not relevant to this program; it has the identifier **BTR-0**.

AO (Poverty Orientation): There will be an impact on the target group's poverty situation (= entire population of the country) due to a change in the framework conditions guiding the actions of political and administrative actors; this will only be indirectly achieved across longer results chains. The Program has the identifier **MSA**.

LE (Rural Development): The Program is not specifically targeted at rural or urban areas; but since Cambodia is predominantly rural – 80% of the population lives in rural areas – the Program will have widest impact on rural areas as it contributes to creating political framework conditions. It therefore has the identifier **LE-1**.

KR (Crisis Relevance): Cambodia is not classified as a conflict or post-conflict country. Due to the low need for prevention, it receives the identifier **KR**.

B.3.6.3 Development policy effectiveness of the Technical Cooperation measure

The Program's areas of intervention are derived from the core objectives of the national reform programmes, and mirror the objectives set by German DC; both are proof of the Program's **relevance** as an element of bilateral cooperation. The Program's **efficiency** results from the flexible design for service delivery, the modular application of different support modalities and the high proportion of the implementation to be done by Cambodian institutions. Incorporation into joint strategies of development partners (which are likewise derived from national reform programmes) also contributes to efficiency, as well as to the program's **effectiveness**. Intensive inclusion of partner staff, close coordination of work plans, regular joint assessment of objectives, and ensuring individual and institutional learning processes guarantee that there will be ownership by the Cambodian institutions and that the activity will therefore be **sustainable**. The institutional learning processes, increased ability for inter-institutional communication, and coordination raise the participating government bodies' capacity to solve problems and therefore increase the legitimacy of the state as a whole. The linking of state action with democratic accountability and performance vis-à-vis the individual

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citizens contributes to improving concrete living conditions, and therefore contributes to the activity's **impact**.

B.3.6.4 Key risks

The Program is aligned with government strategies and harmonised with the support from development partners. If resources needed for the implementation are not made available by the government (e.g. the planned D/M Fund) or the development partners, or only at insufficient levels, progress in achieving the objectives in both components will slow down. *Risk Assessment:* medium. *Risk Mitigation:* The Program's work plans will be regularly adjusted to the government's implementation plans. The Program keeps all development partners regularly and comprehensively informed in order to arrive at joint strategy and implementation. *Potential for Influencing the Risk:* medium.

Both reforms - decentralisation (functional assignment) and administrative (human resource management instruments) - will only be effective if they are implemented by the sector ministries. If there is a lack of will and support from the various political and administrative stakeholders at the national level, implementation of the reforms would be significantly delayed and the achievement of the objectives would be jeopardized. *Risk Assessment:* high. *Risk Mitigation:* At a technical level, the program can strengthen NCDD-S and CAR-S to facilitate a dialogue with the sector ministries to consult and coordinate the reforms with them. On a political level the cooperation with other development partners should enable access to key stakeholders to achieve a political consensus (e.g. in functional assignment). *Potential for Influencing the Risk:* low.

The creation of a human resource management system for the civil servants on sub-national level requires coordination between MoI and SSCS with inclusion of NCDD-S and CAR-S. If this coordination is not possible or is significantly delayed, it will only be possible to partially achieve the objective of democratic decentralisation, since the administrative structures for implementing council decisions would be missing. *Risk Assessment:* medium. *Risk Mitigation:* As above, political dialogue among the development partners and with the Cambodian government must lead to ensuring coordination between both reforms. At the Program's technical level, the creation of "neutral" dialogue platforms can contribute to exchange of options and sounding out possible joint positions. In this regard, the Program is well positioned with components supporting both reform processes. *Potential for Influencing the Risk:* medium.

The reform of the human resource management system, which focuses on strengthening the performance of public administrations, is supplementary to a compensation reform by the government, which constitutes a major element for reforming public administration. Without a compensation reform, which could link financial incentives with human resource management and performance, it will probably only be possible to slowly and partially introduce human resource management instruments. *Risk Assessment:* high. *Risk Mitigation:* The program's support will take place within the context of a coordinated development partner approach, based on agreed joint monitoring indicators as the basis for policy dialogue. The de-

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gree to which JMIs are met is subject of regular discussions; compensation reform will be regularly addressed within the context of this policy dialogue by the development partners. *Potential for Influencing the Risk:* low.

B.3.7 Declaration

The relevant directives contained in the country strategies, priority area strategy papers, binding sector strategies and cross-sectoral strategies of BMZ have been taken into account during planning and will be adhered to during implementation of the TC measure.

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Cost Estimate and Outflow of Funds by Budget Year

Cost Estimate	
The estimated cost was determined based on the VOPR 30/53 instructions and the guidelines for pricing of public orders (LPS). The final actual expenses will be retroactively calculated.	
	EUR
1 Personnel and Volunteers	
2 Equipment	
3 Financial Contributions / Local Grants	
4 Other Itemised Costs	
5 Total Itemised Costs	
6 Fixed Costs / Earnings / VAT	
7 Estimated Cost of the Offer	
Should GIZ be otherwise assessed by the respective financial authorities as liable to pay value added tax, although in the GIZ's opinion the services were tax-free, or if the calculated VAT was too low, GIZ has the right to tax reappraisal. Reimbursed value added tax should be directly paid to BMZ.	

Disbursement Schedule for the Project Phase from 07/2012 until 12/2014			
Fiscal Year	Expenditure (incl. Overheads, es- timated earnings and VAT)	Balance of appropri- ated funds^{*)}	New funds
Year 1: 2012			
Year 2: 2013			
Year 3: 2014			
Total			

^{*)} Estimated balance less expenditures (overheads, estimated earnings and VAT) of the respective Estimated Cost of Offer after the end or cancellation of Commission No. 2007.2146.4

^{*)} Funds available on a yearly basis