

Kingdom of Cambodia
Nation Religion King



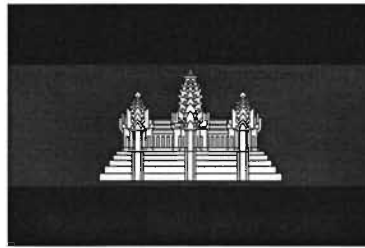
National Committee for Sub-National Democratic Development

2015 NCDD Annual Work Plan and Budget of the IP₃ Phase II

March 2015



Kingdom of Cambodia
Nation Religion King



National Committee for Sub-National Democratic Development

2015 NCDD Annual Work Plan and Budget of the IP3 Phase II

March 2015

MANAGEMENT STATEMENT

The *Law on Administrative Management of the Capital, Province, Municipality, District and Khan* (June 2008), the election of Councils at all of these sub-national tiers (May 2009), the establishment of the National Program on Sub-National Democratic Development (May 2010) ; the foundation established during the first implementation plan (2011-2014) and the successful formulation of the IP3-II, (2015-2017) represent a clear commitment on the part of the Royal Government of Cambodia to political, administrative and developmental reform at the sub-national level.

Looking back, much was accomplished during 2014. The Ministry of Economy and Finance increased the percentage of the domestic recurrent revenue allocated to the DM Fund from 0.8% in 2015 to 0.9% in 2016 and to 1% in 2017; established separate budget components for administration and development; and have amended the regulations to enable the carryover of unspent funds from one year to the next. The Ministry of Environment agreed to transfer the function of municipal solid waste management to 26 Municipalities supported by \$ 5 million in investment funds. With assistance from the World Bank, a Plan for Implementation of Social Accountability was developed and during the inception phase social accountability activities were implemented in 68 Communes in 22 Districts, with the participation of CARE, World Vision, PACT, Save the Children and RACHA. A *Policy on SNA Planning Systems* was approved which will promote the autonomy of each SNA to develop plans, manage their own resources and better coordinate planning with other tiers of administration. Sub-decrees were adopted clarifying permissive functions and defining how SNA council meetings should be conducted. Though slower than anticipated, significant progress was made in decentralizing the management of human resources to SNAs, in establishing the Sub-National Investment facility and in strengthening our legality control systems. Associations of Councils are now fully recognized legal entities, with all DMK and CS Associations registered. SNAs' access to resources, through PC budgets, the DM Fund and the CS Fund increased by 23% from 2013.

The formulation of the second phase of NP-SNDD implementation, the IP3-II, was carried out in a highly consultative manner between senior officials at national and sub-national level, SNA councilors, development partners and representatives from civil society. The plan is shorter and easier to understand; clearly indicates program priorities and expected results; takes a fresh approach to capacity development; and better integrates gender and social inclusiveness. With this new phase, there is an opportunity to promote decentralization with renewed dedication beginning with more structured and regular dialogue amongst top policy makers. By strengthening management and communication processes, implementation is expected to improve. As has been stressed in all major program events while formulating the plan, the NCDD considers the transfer of significant functions from central Ministries to SNAs as the highest priority during the second phase and in this regard, the growing consensus within government is encouraging. Within this next phase, SNAs will begin to autonomously manage and develop their staff; will have adequate access to financial resources to meet their service delivery mandates; and will be more transparent and accountable to citizens. Councilors, who are the elected representatives of citizens, will have both the power and the capacity to act on their behalf. This first Annual Work Plan and Budget under the second IP3 is an opportunity for all implementers to move the reforms forward with greater speed and depth.

In this, the first AWPB of the new phase, the NCDD would like to highlight a few elements which are considered essential to the success of decentralization in Cambodia. First, functions must be

transferred to SNAs. During 2015 we will actively review the case for primary education, primary health care and other significant functions to be transferred and we will move towards the transfer of some of the smaller DM Line Offices (which are generally under-resourced) to the DM Administrations. Five new Ministries will also map and review their key executive functions and decisions will be made on functions to be transferred in the future. Second, we must complete the regulatory environment for providing SNAs control over their staff and develop guidelines, manuals and procedures which will place SNAs in firm control of recruiting, appointing, disciplining, and appraising the performance of their staff. Third, we must improve our SNA planning systems and ensure that greater emphasis is placed on the provision of social services. Fourth, we must identify and resolve some of the inefficiencies or complexities within budget execution procedures for the DM and CS Funds in a manner that both empowers SNAs to respond to priorities within their general mandates and ensures financial accountability. Finally, we need to implement our social accountability strategy in a spirit of openness, cooperation and constructive engagement. In doing so, our SNA leaders need to listen to citizens, to understand their concerns, to consider their ideas, and to take firm action to ensure their service delivery expectations are met.

This document outlines 20 priority actions. The success of the 2015 AWPB depends upon a high level of effort, consultation and cooperation within government at all levels. It depends upon the ability of our managers to improve our program financial management systems, M&E, communication, policy development and planning processes. In all, every effort will be made to ensure these whole-of-government reforms benefit the people of Cambodia for whom they are ultimately designed. *AS*



Phnom Penh, *March 12*, 2015 *AS* ✓

Sar Kheng

Deputy Prime Minister, Minister of Interior,
and Chairman of NCDD

TABLE OF CONTENTS

Management Statement	i
Table of Contents.....	iii
Figures	iv
Tables.....	iv
Abbreviations.....	v
Terminology / Definitions	vii
Overview / introduction	1
Priorities for 2015.....	1
The 2015 AWPB budget	6
Planned Expenditures	6
Technical Assistance	7
Sources of Funds	7
Chapter 1. Outcome #1 Reform Management	10
1.1. Introduction and targets.....	10
1.2. Outputs and their description	10
1.3. Budget overview	11
Chapter 2. Outcome #2 Democratic Accountability.....	13
2.1. Introduction and targets	13
2.2. Outputs and their description	13
2.3. Budget overview	15
Chapter 3. Outcome #3 Human Resource Management & Development.....	16
3.1. Introduction and targets.....	16
3.2. Outputs and their description	16
3.3. Budget overview	18
Chapter 4. Outcome #4 SNA Service Delivery and Functions	19
4.1. Introduction and targets	19
4.2. Outputs and their description	19
4.3. Budget overview	21
Chapter 5. Outcome #5 Fiscal Decentralization.....	23
5.1. Introduction and targets	23
5.2. Outputs and their description	23
5.3. Budget overview	25
Annex 1: Closing speech by H.E. Sar Kheng at the AWPB national workshop.....	27
Annex 2: TA / Staffing.....	31
Annex 3: Implementation Responsibilities.....	32
Annex 4: Results Framework / targets.....	35

FIGURES

Figure 1: Trends in TA Budget..... 8
Figure 1: Basket fund trends (sources of funds) 8

TABLES

Table 1: Planned 2015 Expenditures..... 7
Table 3: Fiscal Transfer Data 8
Table 4: Detailed Sources of Funds 9
Table 5: Performance Targets for Outcome #1 10
Table 6: Budget overview and sources of funds for Outcome #1 11
Table 7: Performance Targets for Outcome #2 13
Table 8: Budget overview and sources of funds for Outcome #2 15
Table 9: Performance Targets for Outcome #3 16
Table 10: Budget overview and sources of funds for Outcome #3 18
Table 11: Performance Targets for Outcome #4..... 19
Table 12: Budget overview and sources of funds for Outcome #4 21
Table 13: Performance Targets for Outcome #5..... 23
Table 14: Budget overview and sources of funds for Outcome #5 26
Table 15: IP3 staffing levels and budget 31
Table 16 : Summary of main responsibilities for implementing each output in the 2015 AWPB..... 32
Table 17: Results Framework, matrix of indicators 35

46

ABBREVIATIONS

ABBREVIATION	DESCRIPTION
ADB	Asian Development Bank
ADB/DPSFM	ADB Decentralized Public Service and Financial Management
ADB/PPTA	ADB Technical Assistance for Project Preparation
ADB/RWS	ADB Piloting of Decentralizing Rural Water Supply Operations & Maintenance Function
ADB/TS-PRSDP	ADB Tonle Sap Poverty Reduction and Smallholder Development Project
AWPB	Annual Work Plan and Budget
BOG	Board of Governors
CCC	The Cooperation Committee for Cambodia
CD	Capacity development
CDB	Commune Database
CMDG	Cambodian Millennium Development Goals
CPDB	Commune Planning Database
CS	Commune/Sangkat
CSO	Civil Society Organization
DM	District/Municipality
DMK	District/Municipality/Khan
DP	Development partner
EU	European Union
EU-SPACE	EU program to Strengthen Performance, Accountability and Civic Engagement of Democratic Councils
GiZ	Deutsche Gesellschaft fuer Internationale Zusammenarbeit GmbH (German implementation agency for international cooperation)
HR	Human resources
IEC	Information, Education, Communication
IP3	First three-year Implementation Plan of National program
IT	Information Technology
MCS	Ministry of Civil Service
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MEF	Ministry of Economics and Finance
MIS	Management Information System
MOI	Ministry of Interior
MOP	Ministry of Planning
MOWA	Ministry of Women's Affairs
NAD	National AWPB Database
NCDD	National Committee for Democratic Development
NCDDS	Secretariat of NCDD
NGO	Non-governmental Organization
NLCS	National League of Commune/Sangkat Councils
NP	National Program for Sub-national Democratic Development

ABBREVIATION	DESCRIPTION
OD	Organizational Development
OL	Organic Law
PC	Provincial/Capital
PDOWA	Provincial Department of Ministry of Women's' Affairs
PITO	Provincial IT Officer
RGC	Royal Government of Cambodia
Sida	Swedish International Development Agency
SNA	Sub-national Administration(s)
SNDD	Sub-national Democratic development
SNIF	Sub-national Investment Facility
TA	Technical Assistance
TWG	Technical Working Group
UN	United Nations
UNCDF	UN Capital Development Fund
UNCDF/LDDPHS	UNCDF Local Development through Decentralized Public Health Services
UNCDF/LGCC2	UNCDF Local Governance and Climate Change Project
UNDP	United Nations Development Program
UNDP-EU/ACES	UNDP and EU Association of Councils Enhanced Services Project
UNDP/SNC Scale up	UNDP Scaling-up Climate Change into Sub-national Planning and Budgeting Process
UNFPA	United Nations Population Fund
UN WOMEN	United Nations Women
WB	World Bank
WB/CTPP	WB Cash Transfer Pilot Project
WB/LASED	WB Land Allocation for Socio-Economic Development
WB- RSDSD TA	TA Support to Rural Sanitation Decentralized Service Delivery

TERMINOLOGY / DEFINITIONS

TERM	DEFINITION
Accountability	The obligation of power-holders to answer for their actions, to an authority that may impose a penalty for failure
Activity	Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs
Capacity Development	A process leading to either: (i) skill upgrading, (both general and specific), (ii) procedural improvements and/or (iii) organizational strengthening. Capacity development refers to investment in people, institutions, and practices
Civic Engagement	A community-based process, where citizens organize themselves around their goals at the grassroots level and work individually or together through non-governmental community organizations to influence the decision-making process
Community Organization / Civil Society Organization	Non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations
Deconcentration	When central government redistributes decision making authority and financial and management responsibilities to lower levels of the central government bureaucracy or hierarchy.
Delegation	When central government transfers responsibility for decision-making and administration of public functions to local governments (or other independent agencies or organizations) not wholly controlled by the central government, but ultimately accountable to it. Control is exerted through a "contractual" (principal-agent) relation.
Devolution	When central government transfers responsibility for decision-making and administration of public functions to local governments who are primarily accountable to their electorate, and who operate at arms-length and largely outside the direct control of central government.
Evaluation	To judge the value, merit or worth of something; a periodic assessment of efficiency, effectiveness, impact, sustainability and relevance in the context of stated objectives
Governance	The traditions and institutions by which authority in a country is exercised; the way in which power and authority influence public life, especially economic and social development
Impact	Positive and negative, primary and secondary long-term effects produced by (caused by) a development intervention, directly or indirectly, intended or unintended; or, in a log-frame: significant long-term developmental change induced in the user of a service or product
Indicator	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor
Input	The financial, human, and material resources used for the development intervention
Institutions	An established law, practice, or custom
Milestone	An important or key activity tagged or singled out for special monitoring in terms of progress or completion.

TERM	DEFINITION
Monitoring	The systematic and continuous collecting, analyzing and using of information for the purpose of management control and decision-making
Outcome	A direct, but intermediary change or improvement in the welfare of the customer or beneficiary as a result of the use of a service (or output).
Output	The final products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes. Organizations are accountable to produce outputs on time, of the desired quantity and quality (QQT)
Policy (a public policy)	A purposeful, consistent course of action, principles, or set of decisions: (i) produced as a response to a perceived problem, (ii) formulated by a specific political process, and (iii) adopted, implemented, and enforced by a public agency.
Program/Program	A time-bound intervention that differs from a project in that it usually cuts across sectors, themes and/or geographic areas, uses a multi-disciplinary approach, involves more institutions than a project, and may be supported by different funding sources
Results Based Management	A life-cycle approach to management that integrates strategy, people, resources, processes, and measurements to improve decision making, transparency, and accountability. The approach focuses on achieving outcomes, implementing performance measurement, learning, and adapting, as well as reporting performance.
Transparency	Provision of timely, relevant and reliable information, accessible to all relevant stakeholders



OVERVIEW/ INTRODUCTION

The second phase of the IP3 (IP3-II) was approved by the Royal Government of Cambodia in December 2014. Building from the successes of the first phase, the IP3-II: emphasizes the transfer of significant functions from central government to SNAs (Sub-National Administrations); promotes increased participation from civil society; places a renewed focus on service delivery; better manages the complex nature of the reforms; and takes a fresh approach to capacity development. This 2015 AWPB (Annual Work Plan and Budget) provides the first opportunity to implement these important changes.

This 2015 AWPB describes the expected priorities, outputs,¹ activities and budget planned for the fifth year of national program implementation. It establishes a framework for semi-annual and annual reporting. To develop this plan, numerous consultations were held with implementing agencies during the fourth quarter of 2014 and in early 2015. Priority outputs and budget allocations were presented and discussed for final review at the National Workshop on the Formulation of the 2015 NCDD AWPB, convened on 4-5 February 2015. The workshop brought together nearly 400 people including senior officials from concerned Ministries, Council Chiefs and Governors from 25 PCs and selected DMs, Directors of relevant Provincial/Capital line Departments, development partners, NGO representatives and NCDD officials and advisors.

Following approval of this document, 2015 Capacity Development plans will be completed by the 25 Provincial/Capital Resource Centers. These plans will integrate supply driven training, designed at national level, with demand driven training, organized by the Resource Centers. The demand driven training will be designed based on: capacity development needs of SNA councilors and staff expressed primarily through their organizational development (OD) plans and the capacity of available training providers from government departments, advisors, civil society and the private sector.

The IP3-II results framework (targets) is reproduced as Annex 4 (page 35) while Annex 3 summarizes implementation responsibilities. All outputs and activities were derived based on these targets, taking into account available finances and assessments of implementation capacities. Chapters 1-5 of this document describe each of the five IP3-II outcomes. The remainder of this introduction outlines key priorities and provides an overview of expected sources of funds and expenditures. A detailed list of activities, schedules and budgets will be available for download at the NCDD website following signature of all Joint Decisions with implementing agencies.

Priorities for 2015

At the National Workshop on Formulation of the 2015 AWPB, twenty priorities or milestones were presented to participants, discussed in working groups and are reflected in this document. In his closing speech at the National Workshop, H.E. Sar Kheng, Deputy Prime Minister, Minister of Interior and NCDD Chairman, stressed the importance of: transferring meaningful functions to SNAs (though a process of strong political leadership); providing SNAs increased access to financial resources; strengthening legality control mechanisms to both ensure compliance and provide autonomy to SNAs to access funds and undertake their mandates; providing SNAs autonomy to manage their staff; and putting in place revised SNA planning systems and more efficient budget execution procedures (see Annex 1, page 25). The twenty priorities or milestones in 2015² are as follows:

¹ The full plan contains an expanded list of outputs and activities, is monitored in the NAD (National AWPB Database) and is agreed upon in signed implementation agreements between NCDDs, central implementers, and PCs.

² In addition to the results framework these will be reported on in detail during annual and semi-annual reports

OUTCOME #1: REFORM MANAGEMENT

1. NCDD and NCDD Sub-Committee meetings held using revised and improved processes focused on establishing policy targets and managing performance (output 1.1.1)

- Q1 Reporting formats for NCDD sub-committees reviewed and revised
- Q2 Performance reporting formats for NCDD meetings reviewed and revised
- Q4 3 NCDD meetings held, at least 2 of which discuss targets and milestones and at least one of which discusses social equity and inclusiveness
- Q4 1 policy and performance report is issued by each sub-committee

2. Communication Strategy designed/implemented with key messages/information tailored to different stakeholders (Ministries, SNAs, Civil Society) and using multiple methods of communication (output 1.3.1).

- Q2 A brief communication strategy and communication priorities are designed which will have clear messages and will identify well defined desired behavioral changes
- Q4 At least three learning events will be held which ensure two-way communication and which better facilitate the center to learn from experience on the ground and to identify, listen to, prioritize and address constraints SNA leaders face
- Q4 At least 100,000 citizens will be reached through social marketing campaigns promoting clear behavioral changes

3. NCDDS procedures reviewed and revised including structures, capacity and CD, RBM, Financial Management, AWPB planning, and policy development (output 1.2.1)

- Q2 Financial management procedures reviewed, discussed in a workshop involving key implementers, revised, and approved in the form of a Finance and Administration manual
- Q2 Policy development process externally reviewed, results presented publically, and processes revised
- Q2 NCDDS internal structures, TORs for officials and advisors, meeting procedures, communication channels and capacity reviewed/revised and strengthened
- Q4 AWPB processes redesigned to ensure they are simple, participatory, workshop-based involving key decision makers, and results oriented

OUTCOME #2: DEMOCRATIC ACCOUNTABILITY

4. Strategic plan on social accountability implemented in 22 Districts (output 2.2.1)

- Q1 Social Accountability action plan officially approved
- Q1 Governance arrangements designed and implemented
- Q2 Operations manual completed and approved
- Q4 All communes implement awareness raising and IEC (Information, Education and Communication), provide essential and accessible information to citizens on rights, budgets and performance, implement citizen scorecards and monitoring of performance, hold interface meetings to engage citizens, and develop and implement JAAPs (Joint Accountability Action Plans).

Q4 Baseline data is collected to complete an evaluation of the impact of social accountability activities using a 'difference in differences' approach and based on I4C indicators and scorecard assessments

5. Charters approved in 50 DM Councils (output 2.1.1)

Q2 DM Charter guidelines, templates and other regulatory and training instruments completed and approved

Q2 DM Charter process field tested

Q4 DM Charters facilitated in 50 DMs

Q4 50 DMs approve their charters in Council meetings

6. Compliance inspection strategy, procedures, manual and system designed and approved (output 2.3.1)

Q2 Compliance inspection strategy approved by MOI management, including institutional arrangements, publication of results, and participation of the private sector

Q3 Compliance inspection manual, tools and instruments designed

Q4 Compliance inspection routine field tested, finalized and approved

Q4 Inspection plan for 2016 agreed upon and resourced

7. Capacity of the SNA council associations and their Secretariat strengthened to better serve their members and citizens effectively (output 2.1.2)

Q2 Revised Structure of the Secretariat approved

Q3 Service delivery and revenue raising strategies approved

8. PC and MDK administration manual finalized and introduced through training (output 2.4.1).

Q2 Manuals finalized and tested

Q2 Manuals officially approved

Q4 Manuals rolled out and in use through training and CD provided by PC Resource Facilities

9. Web enabled management information system in use at DMs (output 2.4.2).³

Q1 Design and test a prototype stand-alone database

Q3 Design a web-enabled system meeting the principles agreed upon in the 2014 TAF supported MIS consultancy

Q3 Test and then rollout the web-enabled system

³The system will be designed to provide useful information to Council meetings, meets the needs of users, and increasingly collect and inputs national information at the DMK level. It will: (i) be developed with the full participation of DMKs, in order to meet their needs, (ii) be used to implement management processes (i.e. be "live" systems), (iii) decentralize data collection to the DMK level, (iv) be flexible, allowing indicators and data to be defined dynamically, (v) result in the production of timely and easy-to-understand reports which can form a basis of discussion during Council meetings, and (vi) facilitate increased data availability to the public, and their NGO representatives

- Q4 Backstop and facilitate so that at least 100 Council meetings use and discuss the information collected

OUTCOME #3: HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT

10. SNA Personnel Statute adopted and supporting HR management systems in use (output 3.1.1)

- Q2 A Statute on SNA Personnel Management completed and approved
- Q4 All subsidiary regulatory instruments, guidelines and manuals completed and approved
- Q4 HR management systems and processes rolled out to SNAs through training

11. Mandatory training on gender mainstreaming and women's empowerment for SNA leadership designed and implemented (output 3.1.3). SNA leaders will be required to complete a dynamic and mandatory training on analyzing gender issues, mainstreaming gender, and promoting women in leadership and diversity. This workshop will facilitate leaders to better take practical steps in their day to day management of SNAs in order to be more gender responsive and to empower women

- Q2 Training program designed
- Q3 Training implemented and all SNA leaders identify one priority action they will take to strengthen gender responsiveness and empower women
- Q4 Implementation of priority actions reported upon, monitored or evaluated

12. PC Resource Facilities established and operationalized and demand-based CD for councils and administrations strengthened (outputs 3.3.1)

- Q1 Guidelines on establishment/management of Provincial/Capital Resource Facilities officially approved and implemented
- Q2 Training Needs Assessment and survey of potential CD providers in each province/capital completed and Facilities develop training plans which include both supply and demand driven CD activities
- Q4 Facilities implement their CD plans
- Q4 Quality and satisfaction of CD independently evaluated

OUTCOME #4: SNA SERVICE DELIVERY AND FUNCTIONS

13. Decisions on the transfer of significant functions and resources to SNAs taken and all preparations completed for first phase implementation in 2016 in the sectors of health, rural development, social affairs, education, agriculture and environment (outputs 4.2.1 to 4.2.3)

- Q1 Existing functional reassignment process reviewed to make it shorter and more effective
- Q2 New process tested in 1 new Ministry then implemented in 4 more new ones
- Q3 Ongoing intra-government discussions held with at least 3 Ministries to transfer small district offices (1-2 staff) to DM SNAs

- Q3 3 policy papers on decentralization prepared for Ministers, and discussed, one on primary education, one on health, and the other to be determined later
- Q4 Functional reassignment continued in 6 Ministries who have been implementing the process in 2014
- Q4 By the end of the year at least 0.5% of the national budget is transferred from central government to SNAs as a result of functional transfers

14. Prepare regulations regarding the transfer of urban service delivery functions to Municipalities. (output 4.3.1)

- Q3 Complete analysis on feasible functions to transfer from Provinces to DMKs
- Q4 Make an official decision on which functions should be transferred
- Q4 Prepare guidelines , procedures, plans, and all regulatory instruments required to implement the transfer of at least 2 functions during 2015

15. Complete and disseminate the regulatory framework for permissive functions and social services, including the design of partnership arrangements with private sector and civil society for service delivery. (Outputs 4.1.1 and 4.5.1)

- Q3 Complete and approve all required regulations under the Permissive Functions Sub-Decree
- Q3 Hold national meetings with large NGOs and private sector associations to agree on future collaboration in terms of the general mandate
- Q4 Train SNAs on the procedures
- Q4 Ensure the value of service delivery partnerships signed by CSs and DMKs with central government, CSOs and the private sector reaches \$500,000

OUTCOME #5: FISCAL DECENTRALIZATION

16. Review and revise DM and CS budget execution systems and procedures to remove inefficiencies and constraints, especially in terms of social service provision (output 5.7.1)

- Q2 Study on constraints in DM and CS budget execution conducted with a specific focus on social service delivery and recommended solutions agreed and discussed with concerned institutions and SNAs
- Q3 Financial management guidelines revised
- Q4 SNAs trained on revised system and procedures

17. Mobilize intermediate, external financing of the DM Fund to ensure that the development component reaches 0.5 % of total recurrent domestic revenue in 2016 (output 5.1.1)

- Q4 Complete projections on RGC resource availability for DM Fund development in 2016
- Q4 Hold consultations with DPs to mobilize external budget support for DM Fund development component for 2016-2017 to ensure the 0.5% target is met

18. Finalize and pilot conditional grant mechanisms (output 5.2.1)

- Q2 Regulation on conditional grant mechanism completed and adopted through appropriate legal document
- Q4 As functions are transferred, develop conditional grant mechanisms to ensure the transfer of resources does not delay the transfer of functions
- Q4 Review and revise allocation formulas to ensure their efficiency

19. Establish the SNIF Secretariat and complete the operations manual for implementation in 2016 (output 5.5.1)

- Q2 Establish the SNIF Secretariat
- Q2 Approve the SNIF manual
- Q4 Complete all SNIF project documentation with the ADB to ensure financing can be accessed by 1 January 2016

20. Review and revise SNA Planning guidelines beginning with rural District/Commune and urban Municipal/Sangkat Planning/Budgeting Systems for different types of SNAs (output 5.8.1).

- Q2 Based on Policy for SNA Planning and through field visits to SNAs and dialogue with relevant ministries and Civil Society, identify revisions required to planning/budgeting system and guidelines that consider: corporate/jurisdictional plans, enhanced linkages between DM and CS plans and the incorporation of initiatives in gender responsive budgeting, social accountability, climate change, and social service provision.
- Q3 Draft revised guidelines and procedures presented and discussed at national workshop
Guidelines and procedures finalized and approved
- Q4 Plan for rolling out the new guidelines to SNAs prepared and implementation commences

The 2015 AWPB budget

PLANNED EXPENDITURES

The IP3-II budget consists of “reform” activities and fiscal transfers to SNAs. In terms of reform activities, expenditures fall into 3 broad categories:

- ACTIVITIES are the direct costs of reform outputs and are based on estimates of the inputs required. This includes workshops, meetings and training sessions, as well as systems management and program monitoring costs.
- TECHNICAL ASSISTANCE (TA) costs, includes the costs of advisors and support staff hired on annual contracts and focused on supporting the achievement of specific outputs
- OPERATIONAL COSTS are allocated to national and sub-national implementers, to cover their overheads related to vehicle maintenance, office supplies and communications which are not specifically tied to an event or output.

A summary of planned expenditures is provided below.

Table 1: Planned 2015 Expenditures

	BASKET	DP EARMARKED & IN KIND	RGC	TOTAL
A. ACTIVITIES	\$5,252,392	\$18,989,018	\$0	\$24,241,410
OUTCOME #1: REFORM MANAGEMENT	\$849,813	\$1,901,180	\$0	\$2,750,993
OUTCOME #2: DEMOCRATIC ACCOUNTABILITY	\$642,863	\$400,000	\$0	\$1,042,863
OUTCOME #3: HR MANAGEMENT	\$2,744,699	\$10,076,998	\$0	\$12,821,697
OUTCOME #4: SERVICES AND FUNCTIONS	\$535,400	\$5,745,118	\$0	\$6,280,518
OUTCOME #5: FISCAL DECENTRALIZATION	\$479,617	\$865,722	\$0	\$1,345,339
B. TECHNICAL ASSISTANCE	\$6,073,552	\$0	\$0	\$6,073,552
C. OPERATIONS	\$520,000	\$0	\$125,000	\$645,000
<i>SUB-NON FISCAL (A+B+C+)</i>	<i>\$11,845,944</i>	<i>\$18,989,018</i>	<i>\$125,000</i>	<i>\$30,959,961</i>
D. FISCAL TRANSFERS	\$4,000,000	\$12,211,363	\$278,393,507	\$294,604,870
E. GRAND TOTAL (A+B+C+D)	\$15,845,944	\$32,106,412	\$278,518,507	\$326,470,862

TECHNICAL ASSISTANCE

This year 1,013 staff will be employed at a budget of \$ 6.1 million. The distinction between advisors and contract staff is important. Advisors are hired by the NCDs at salaries that are competitive with international organizations to: (i) develop capacity and (ii) perform a range of tasks that arise from an externally funded program. Contract staff are hired primarily by SNAs at salaries within the range of civil service salaries and to fill gaps in their existing capacity that are important to ensure performance. Given the freeze on civil service recruitment and the gaps in DM staffing, it is necessary to enable SNAs to contract staff (similar to what is done in other sectors). Ideally many of these contract staff will be recruited as civil servants when openings arise. Full staffing data is summarized in Table 14 (page 31) while overall trends are depicted adjacently.

SOURCES OF FUNDS

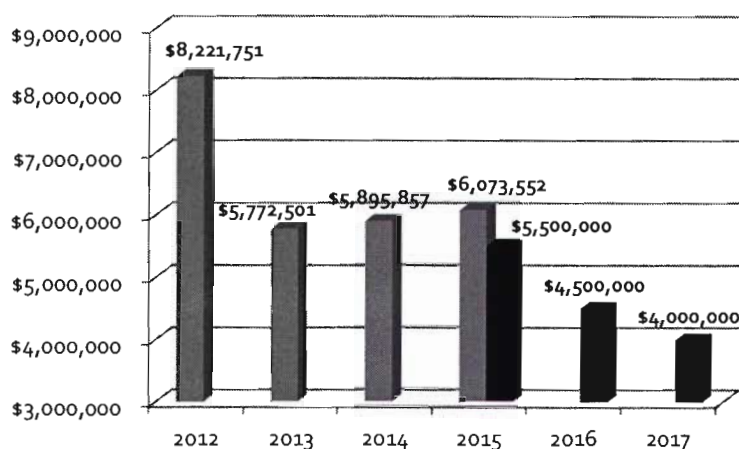
DP sources consist of basket funded discretionary spending, earmarked funds (i.e. projects), in-kind contributions, and fiscal transfers. As can be seen in Table 3 (page 9):

- The basket fund, consisting of discretionary sources of finance provided by Sida, the EU, and SDC totals \$11,878,000 in 2015
- The Royal Government of Cambodia (RGC) will contribute a total of \$278.5 Million, consisting mostly of fiscal transfers (see the adjacent table) as well as \$125,000 provided directly to NCDs. These direct contributions account for 85.3% of all available funding.⁴ Increasingly SNA resources are expected to be used to finance not only infrastructure development and service delivery to citizens, but to include contributions to reform activities.
- \$22 Million will be accessed through loans. The repayment of these loans is the obligation of the RGC. Loans finance an additional 6.7% of all activities.
- DP grants, in terms of projects will total \$5.6 Million while DP in kind contributions will reach \$2.9 Million.

⁴These calculations exclude expenditures by Ministries from the government budget.



Figure 1: Trends in TA Budget



NOTE: Actual in gray, targets in black

Figure 2: Basket fund trends (sources of funds)

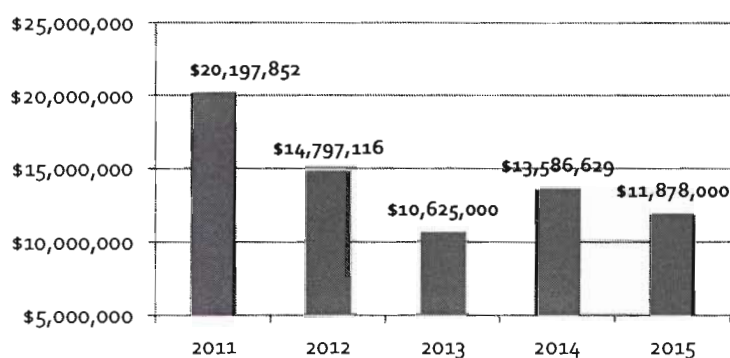


Table 2: Fiscal Transfer Data

RESOURCE	CAMBODIAN RIELS	US	%
CS Fund	271,945,000,000	\$67,146,914	24.12%
DM Fund	81,302,000,000	\$20,074,568	7.21%
PC Budget	753,940,000,000	\$186,158,025	66.87%
Conditional Grant [1]	20,306,700,000	\$5,014,000	1.80%
TOTAL	1,127,493,700,000	\$278,393,506	100.00%

16

Table 3: Detailed Sources of Funds

Source	I. Basket Fund	II. Earmarked	III. In-kind	IV. Reform (I+II+III)	% Reform	SNA Transfer	Total	%
1. RGC [1]	\$0	\$125,000	\$0	\$125,000	0.39%	\$278,393,506	\$278,518,506	85.3%
2. LOANS	\$0	\$11,411,382	\$0	\$11,411,382	35.77%	\$10,572,055	\$21,983,437	6.7%
2.1. ADB/DPSFM	\$0	\$10,147,700	\$0	\$10,147,700	31.81%	\$0	\$10,147,700	3.1%
2.2. ADB/TS-PRSDP	\$0	\$1,263,682	\$0	\$1,263,682	3.96%	\$10,572,055	\$11,835,737	3.6%
3. DP GRANTS	\$11,878,000	\$5,577,636	\$2,906,031	\$20,361,667	63.83%	\$5,639,308	\$26,000,975	8.0%
3.1. Sweden/SIDA [2]	\$4,290,000	\$0	\$0	\$4,290,000	13.45%	\$4,000,000	\$8,290,000	2.5%
3.2. EU [3]	\$5,500,000	\$0	\$0	\$5,500,000	17.24%	\$0	\$5,500,000	1.7%
3.3. Swiss/SDC [4]	\$2,088,000	\$0	\$0	\$2,088,000	6.55%	\$0	\$2,088,000	0.6%
3.4. ADB/RWS O&M	\$0	\$125,000	\$0	\$125,000	0.39%	\$0	\$125,000	0.0%
3.5. ADB/PPTA	\$0	\$0	\$400,000	\$400,000	1.25%	\$0	\$400,000	0.1%
3.6. EU-SPACE	\$0	\$0	\$1,600,000	\$1,600,000	5.02%	\$0	\$1,600,000	0.5%
3.7. UNCDF/LDDPHS	\$0	\$166,600	\$0	\$166,600	0.52%	\$100,000	\$266,600	0.1%
3.8. UNDP/SNC Scale-up	\$0	\$124,437	\$0	\$124,437	0.39%	\$0	\$124,437	0.0%
3.9. UNDP-EU/ACES	\$0	\$1,501,180	\$0	\$1,501,180	4.71%	\$0	\$1,501,180	0.5%
3.10. UNICEF/Seth Koma	\$0	\$2,372,119	\$906,031	\$3,278,150	10.28%	\$481,284	\$3,759,434	1.2%
3.11. UNCDF/LGCC2	\$0	\$190,212	\$0	\$190,212	0.60%	\$470,852	\$661,064	0.2%
3.12. UN/Women	\$0	\$93,246	\$0	\$93,246	0.29%	\$0	\$93,246	0.0%
3.13. UNFPA	\$0	\$107,354	\$0	\$107,354	0.34%	\$191,592	\$298,946	0.1%
3.14. WB-CTPP	\$0	\$241,920	\$0	\$241,920	0.76%	\$395,580	\$637,500	0.2%
3.15. WB-RSDSD_TA	\$0	\$500,000	\$0	\$500,000	1.57%	\$0	\$500,000	0.2%
3.16. WB-LASED	\$0	\$155,568	\$0	\$155,568	0.49%	\$0	\$155,568	0.0%
4. GRAND TOTAL (1+2+3)	\$11,878,000	\$17,114,018	\$2,906,031	\$31,898,049	100.00%	\$294,604,869	\$326,502,918	100%
%	3.64%	5.24%	0.89%	9.77%		90.23%	100%	

NOTES: [1] RGC SNA transfer includes CP/DM/CS unconditional transfers and conditional transfers to DM from MoE and MRD; [2] New contribution of \$ 2 m, \$ 2.29 m carried over from 2014 and \$ 4 m commitment for DM fund; [3] Contribution from PE-3: \$ 5.5 m from Feb 2015-Jan 2016 while salary for January 2015 covered by PE-2; [4] New contribution of \$ 1.5 m and \$ 0.588 m carried over from 2014.

144

CHAPTER 1. OUTCOME #1 REFORM MANAGEMENT

1.1. Introduction and targets

The success of the second IP₃ depends on how well the processes of change are managed. This outcome addresses several key issues arising from the first IP₃. It takes steps to: (i) address the political nature of the reforms; (ii) strengthen ownership; (iii) improve communication and transparency; (iv) effectively manage change and results; (v) learn better and (vi) improve policy processes. The overall outcome is:

Improved management of the NP-SNDD reform process geared towards management of change

Table 4: Performance Targets for Outcome #1

TARGET / INDICATOR	2015	2016	2017
1. Has NCDD held at least 3 meetings per year; debated performance management in at least 2 and discussed social equity in at least 1?	YES	YES	YES
2. Expenditure on TA (\$US Millions)	5.5	4.5	4.0
3. Number of people reached in Social marketing campaigns (undertaken with CSOs) (in thousands)	100	100	100
4. % of program implementers satisfied with NCDDS planning, policy development and financial management procedures	50%	60%	70%
5. % of program milestones and targets met on time	50%	60%	70%
6. Cumulative number of sector Ministries making public statements strongly supporting decentralization	1	2	5

The adjacent table summarizes the targets found in the IP₃-II. All implementers are responsible for achieving these targets and for designing their outputs and activities around them. The remainder of this chapter lists the outputs that will be produced and provides a brief budget overview.

1.2. Outputs and their description

The IP₃-II document contained five outputs in terms of reform management. In this AWPB, the IP₃-II outputs have been elaborated into six specific outputs.

IP₃ OUTPUT 1.1: NCDD LEADS THE POLITICAL PROCESS OF REFORM AND MANAGES PROGRAM PERFORMANCE TO ENSURE IMPLEMENTATION OF THE ORGANIC LAW

1.1.1 NCDD management meetings held using improved, revised processes. Options for strengthening the interaction between the NCDD and the highest political authority on key reform decisions will be explored and implemented. NCDD reporting formats, focusing on targets and milestones will be revised and implemented, including reporting arrangements between sub-committees and the NCDD. The NCDD will hold at least 3 meetings per year. Results and performance will be discussed in at least two and social equity and inclusion in at least one. A mandatory annual meeting of each Sub-Committee to review its past performance and set future policy direction (with clear targets) will be completed. *This output will be led by NCDDS with the participation of all Ministries who are members of NCDD.*

IP₃ OUTPUT 1.2: NCDDS FACILITATES AND COORDINATES PROGRAM IMPLEMENTATION AND MANAGEMENT BY ALL IMPLEMENTERS, PROGRESSIVELY CHANGING ITS ROLE FROM OPERATIONAL TO STRATEGIC

1.2.1: NCDDS procedures reviewed and revised including structures, capacity and CD, RBM, financial management, AWPB planning, and policy development. Reviews on financial management, results based management, policy development, and other procedures will be completed and the results of these will be presented to stakeholders. These reviews will consider ways to improve participation of civil society and other stakeholders in IP₃ policy making and other processes. Training on all revised processes will be implemented, including training on RBM,



financial management, and internal audit. In addition, a wide range of NCDDS capacity development activities will take place.

IP3 OUTPUT 1.3: A COMMUNICATION STRATEGY IS IN USE FOCUSING ON INFORMATION SHARING BETWEEN GOVERNMENT INSTITUTIONS AND BETWEEN GOVERNMENT AND THE PUBLIC IN A WAY THAT CLARIFIES KEY MESSAGES AND DETERMINES THE BEST WAY TO DELIVER THEM TO DIFFERENT STAKEHOLDER GROUPS

1.3.1: IP3-II Communication and learning strategy designed and implemented. With the facilitation of a consultant supported by TAF, communications principles and priorities will be identified. At least one of these priorities will be implemented during 2015. The vision of the SNDD reforms, both in the longer and medium term, will be more broadly disseminated and understood at national and subnational levels, and with the public. A brief prioritized strategy, moving from awareness and information to one which promotes clear behavioral change through a social marketing approach will be developed. Learning workshops and meetings will be held between NCDDS and SNAs. These workshops will provide an opportunity for program management to listen and learn from implementers' experiences. Civil society will participate in its development. *This output will be implemented by NCDDS.*

IP3 OUTPUT 1.4: MINISTRIES HAVE ENHANCED OWNERSHIP OF AND PARTICIPATION IN THE REFORM PROCESS

1.4.1 Ministries implementing functional transfers have enhanced ownership of and participation in the reform process. Functional transfers will require Ministries to institutionalize the reform process within their structures and within their policy, planning, budgeting and M&E processes. Under this output, Ministerial D&D working groups will be strengthened, regular meetings between NCDDS and Ministries implementing functional transfers will be improved and more regularly implemented, and at least one Ministry will issue a public statement in support of decentralization. *This output will be implemented by Ministries participating in functional transfers.*

IP3 OUTPUT 1.5: SNAS HAVE INCREASED OWNERSHIP OF THE REFORM PROCESS AND INCREASINGLY MAKE PROGRESS IN SHAPING THE REFORMS TO THEIR SPECIFIC NEEDS

1.5.1 PCs and DMKs strengthened to more effectively manage capacity development processes through SNA resource centers. Capacity development activities will be implemented by SNA resource centers. This change requires a review of the roles, responsibilities and budgets of PCs and DMKs in terms of providing capacity development. Guidelines will be developed describing institutional relationships and how Provinces will provide support and backstopping to PC Resource Facilities. *This output will be implemented by NCDDS, PCs, and DMKs.*

1.5.2 Restructure, support and strengthen the capacity of the Council Associations. The structure of the general secretariat (supporting both associations) will be established. Annual meetings of the Associations and their Executive Committees will be held. *This output will be implemented by SNA Associations.*

1.3. Budget overview

The total cost of this outcome, during 2015, is \$2.75 Million. Details are documented below.

Table 5: Budget overview and sources of funds for Outcome #1

OUTPUT	BASKET	OTHER	TOTAL	NOTES
1.1.1 NCDD management meetings held using improved, revised processes	\$43,200	\$0	\$43,200	
1.2.1 NCDDS procedures reviewed and revised including structures, capacity and CD, RBM,	\$625,300	\$200,000	\$825,300	[1]

	financial management, AWPB planning, and policy development **				
1.3.1	IP3-II Communication and learning strategy designed and implemented	\$73,800		\$73,800	
1.4.1	Ministries implementing functional transfers have enhanced ownership of and participation in the reform process	\$0	\$200,000	\$200,000	[1]
1.5.1	PCs and DMKs strengthened to more effectively manage capacity development processes through SNA resource centers	\$0		\$0	
1.5.2	Restructure, support and strengthen the capacity of the Council Associations	\$107,513	\$1,501,180	\$1,608,693	[2]
TOTAL		\$849,813	\$1,901,180	\$2,750,993	

NOTE: "Other" includes in-kind and earmarked funding sources, consisting of [1] = EU SPACE; [2] = UNDP ACES; * *In addition to reviewing processes, includes all M&E costs, all staff development costs, the costs of developing the AWPB (including all workshops), gender mainstreaming costs, external audit costs and all other administrative expenses.

CHAPTER 2. OUTCOME #2 DEMOCRATIC ACCOUNTABILITY

2.1. Introduction and targets

The development of democratic institutions of local government, which represent and respond to the needs of citizens, is a primary objective of the second IP3. Under this outcome, the accountability relationship between the BOG and councilors will be better defined, social accountability and citizen engagement activities will be implemented, compliance inspection and legality control measures will be strengthened and operational systems, such as Management Information Systems will be in place to facilitate Council decision making. The overall outcome is:

SNAs function as local democratic and accountable institutions, including accountability of the BOG to the Council, accountability of Councilors to citizens and accountabilities of SNAs to comply with national laws and standards

Table 6: Performance Targets for Outcome #2

TARGET / INDICATOR	2015	2016	2017
1. The regulatory framework is strengthened to ensure more effective councilor oversight and decision making powers, especially in terms of resource allocation and use	Yes	Yes	Yes
2. Number of DMs adopting and implementing DM charters (*)	50	185	185
3. 80% of DM councilors who believe their powers vis a vis the BOG are significantly stronger than they were in the past	20%	50%	80%
4. Number of DMK council meetings using information generated through a web-based DMK MIS / M&E system	100	300	591
5. Number of districts where all communes posted information to the public (according to disclosure of information regulations), participated in citizen monitoring exercises, and developed (JAAPs) to improve service delivery (*)	20	70	120
6. A second phase social accountability program developed to cover other services and levels of SNAs	NO	NO	YES
7. Number of complaints collected and managed by CSs	0	1,000	3,000
8. Number of complaints collected and managed by DMKs	0	500	1,200
9. Number of citizens attending District Forums	5,000	7,000	9,000
10. Number of CSOs attending District Forums	500	700	900
11. Financial contribution of Communes to the JAAP (\$ US Millions)	0.10	0.25	0.50
12. Impact evaluation completed using control and treatment groups and showing improvement on I4C indicators	NO	NO	YES
13. % of all PCS and DMKs have been inspected for compliance with SNA laws and regulations and have received a satisfactory assessment (*)	20%	30%	40%

The adjacent table summarizes the targets found in the IP3-II. All implementers are responsible for achieving these targets and for designing their outputs and activities around them. The remainder of this chapter lists the outputs that will be produced and provides a brief budget overview.

2.2. Outputs and their description

The IP3 document contained five outputs in terms of SNA democratic accountability. For the purpose of this AWPB, these have been elaborated to include 7 specific outputs.

IP3 OUTPUT 2.1: CLEAR ROLES AND LINES OF ACCOUNTABILITY BETWEEN SNA COUNCILS AND BOARDS OF GOVERNORS ARE ESTABLISHED AND IMPLEMENTED

2.1.1 DM Charters approved in 50 DMs. The template and guidelines for DM Charters will be completed by NCCDS and field tested in collaboration with EU-SPACE in their target areas. Following any revisions to the process resulting from the field test, additional DM Councils will be

facilitated to develop their own charters. Once charters are approved by Council and implemented by DMs, their success will be evaluated by NCDDS.

2.1.2 Systems and procedures reviewed to ensure that the role of the Council is consistent with the Organic Law and that Councilors' legislative, decision making, and oversight functions are strengthened. NCDDS will identify, analyze and make changes to regulations, systems, guidelines, and procedures to clarify the roles and responsibilities of Councilors and Boards of Governors and to ensure they are consistent with the Organic Law and D&D policy. Changes will be integrated into the training provided by PC resource facilities, will be reflected in amendments to the regulatory framework, and will be incorporated into DM Charters.

IP3 OUTPUT 2.2: VOICES OF CITIZENS AND CIVIL SOCIETY ORGANIZATIONS ARE BETTER REFLECTED IN DM AND CS DECISION-MAKING PROCESSES

2.2.1: Social Accountability activities implemented in 22 Districts. Implementation includes: awareness raising and IEC (Information, Education and Communication); the provision of essential and accessible information to citizens on rights, budgets and performance; citizen scorecards and monitoring of performance; the holding of interface meetings to engage citizens; and the development and implementation of JAAPs (Joint Accountability Action Plans). A wide range of CD and Monitoring Evaluation and Learning (MEL) initiatives will be undertaken (with support from UNICEF) and Governance arrangements will be finalized and implemented. *Social accountability is implemented by Communes, Schools, Health Centers, CSO's, Districts, National NGOs and NCDDS.*

2.2.2: Public Forums and other PC and DMK level civic engagement activities implemented. The technical document on civic engagement will be rolled out through PC Resource Facilities. PC and DMK forums will be implemented. NCDDS will evaluate their effectiveness towards the end of the year. *This output will be implemented by PCs, DMKs and NCDDS.*

2.2.3 Complaints handling mechanisms reviewed, redesigned and tested in DMK and CS levels. The performance of the current system of complaints handling will be reviewed. Based on this, a revised system will be designed and documented through guidelines, manuals, and other instruments. The new system will be tested and then rolled out through PC resource facilities. *This output will be implemented by MOI and SNAs.*

IP3 OUTPUT 2.3: INSTITUTIONALIZED, TRANSPARENT SNA COMPLIANCE INSPECTION MECHANISMS IN PLACE

2.3.1: Compliance inspection system designed and tested in at least 10 locations. During 2015, the draft inspection strategy will be completed. Following this, an Operations Manual will be designed (describing the processes, checklist, scoring system, etc.) and tested (including the training of inspectors). The inspection system is expected to cover governance, human resources, finance and procurement, and administration; it is expected to be implemented cooperatively across multiple Ministries and for its results to be made available to the public and to be discussed in Council meetings. *This output will be implemented by MOI.*

IP3 OUTPUT 2.4: SNA ADMINISTRATIVE, IT, AND M&E SYSTEMS STRENGTHENED

2.4.1 All PC and DMK operational procedures and manuals completed and rolled out nationwide. These systems will describe how each office should undertake their functions; how DMKs should report, monitor and evaluate performance; and how DMKs should implement projects. Once finalized, DMK capacities will be strengthened through PC Resource Facilities. In addition, Chapter 3 of PIM (CS Project Implementation Manual) on procurement and contract management will be reviewed and revised. *This output will be implemented by MOI, with capacity development led by PC Resource Facilities.*

2.4.2 Design and implement a computerized DMK M&E system which provides useful information to Council meetings, which meets the needs of users, and which increasingly collects and inputs national information at the DMK level. Work on these systems began in 2014. They will: (i) be developed with the full participation of DMKs, in order to meet their needs, (ii) be used to implement management processes (i.e. be "live" systems), (iii) decentralize data collection to the DMK level, (iv) be flexible, allowing indicators and data to be defined dynamically, (v) result in the production of timely and easy-to-understand reports which can form a basis of discussion during Council meetings, and (vi) facilitate increased data availability to the public, and their NGO representatives. *Systems will be designed by NCDDS and implemented by DMKs.*

2.3. Budget overview

The total cost of this outcome, during 2015, is \$1.04 Million. Details are documented below.

Table 7: Budget overview and sources of funds for Outcome #2

OUTPUT	BASKET	OTHER	TOTAL	NOTES
2.1.1 DM Charters approved in 50 DMs	\$25,890	\$0	\$25,890	
2.1.2 Systems and procedures reviewed to ensure that the role of the Council is consistent with the Organic Law and that Councilors' legislative, decision making, and oversight functions are strengthened	\$74,700	\$200,000	\$274,700	[1]
2.2.1 Social Accountability activities implemented in 22 Districts	\$226,888	\$0	\$226,888	
2.2.2 Public Forums and other PC and DMK level civic engagement activities implemented	\$5,000	\$0	\$5,000	
2.2.3 Complaints handling mechanisms reviewed, redesigned and tested in DMK and CS levels	\$15,050	\$0	\$15,050	
2.3.1 Compliance inspection system designed and tested in at least 10 locations	\$52,350	\$0	\$52,350	
2.4.1 All PC and DMK operational procedures and manuals completed and rolled out nation-wide	\$135,185	\$200,000	\$335,185	[1]
2.4.2 Design and implement a computerized DMK M&E system which provides useful information to Council meetings, which meets the needs of users, and which increasingly collects and inputs national information at the DMK level	\$107,800	\$0	\$107,800	
TOTAL	\$642,863	\$400,000	\$1,042,863	

NOTE: "Other" includes in-kind and earmarked funding sources, consisting of [1] = EU SPACE

CHAPTER 3. OUTCOME #3 HUMAN RESOURCE MANAGEMENT & DEVELOPMENT

3.1. Introduction and targets

The number of staff an SNA has, their composition, their skills and competencies, their attitudes, and the degree to which they can be flexibly managed by the SNA, are key factors in how well SNAs function. Under this outcome, SNAs will be provided increased autonomy in managing their staff (recruiting, appointing, and disciplining them) and PC Resource Facilities will develop the individual capacities of all cadres (administration, governors, councilors). CD will be increasingly demand driven and will include: coaching; provision of information and materials; quick responses to questions via telephone and email; workshops and forums; specific training on request, either directly or through other capacity development providers; training designed by the center on new legislation or systems; learning activities; and exchanges of experience. The overall outcome is:

SNAs autonomously and effectively manage and develop their staff in order to meet their service delivery mandates and priorities

Table 8: Performance Targets for Outcome #3

TARGET / INDICATOR	2015	2016	2017
1. % of targeted SNA administrative staff who are recruited, appointed, and disciplined based on Council decisions and without prior central government approval or participation	100%	100%	100%
2. % of PC and DMK management staff have their performance appraised by their immediate superiors	50%	75%	95%
3. % of PC administration directors who are female	8.18%	12.12%	16.06%
4. % of PC division heads who are female (*)	8.20%	12.13%	16.07%
5. % of DMK administration directors who are female	16.23%	19.15%	22.08%
6. % of DMK administration division heads who are female	21.03%	22.36%	23.68%
7. % of PC Resource Facilities providing all 5 types of CD	100%	100%	100%
8. % of leaders completing mandatory annual training in gender mainstreaming	95%	95%	95%
9. % of all Councilors, BOG and SNA Staff feel their training adequately prepared them to undertake their job functions	20%	50%	80%
10. % of CD interventions that are demand driven	30%	40%	50%
11. Average number of by-laws passed by DMKs	-.5	-.75	1
12. % increase in the number of decisions taken in DMK Council	10%	25%	50%

The adjacent table summarizes the targets found in the IP3. All implementers are responsible for achieving these targets and for designing their outputs and activities around them. The remainder of this chapter lists the outputs that will be produced and provides a brief budget overview.

3.2. Outputs and their description

The IP3 document contained five outputs in terms of SNA Human Resource Management and Development. For the purpose of this AWPB, these have been elaborated to include 7 specific outputs.

IP3 OUTPUT 3.1: SNA HR MANAGEMENT DECENTRALIZED AND STRENGTHENED

3.1.1 Develop, introduce and implement legal instruments to support decentralized SNA HR management, including staff appraisals. Once the SNA Personnel Statute is completed a series of regulations, guidelines and manuals will be developed. These will fully describe the exact process of recruitment, hiring, managing leave and transfer, disciplinary action, HR development, staff performance appraisals and other HR functions to be implemented by SNAs. Staff performance appraisals play an important role in local accountability and management. By the end



of 2015 some (but not all) of these processes will be under implementation by SNAs and it is expected at least half of all SNA staff will have their performance openly evaluated by their superiors. *The Ministry of Civil Service will take the lead in developing regulatory instruments, while training on decentralized HR management functions will be implemented under PC Resource Facilities.*

3.1.2 Develop computerized, web-enabled HR Management Information Systems. Personnel data will be entered, updated and maintained at DMK level. The system will track all HR events: hiring, leave, training, disciplinary action and others. As is the case with the DMK computerized M&E system, the system will adhere to the following principles: (i) be developed with the full participation of DMKs, in order to meet their needs, (ii) be used to implement HR management processes (i.e. be a "live" system), (iii) result in the production of timely and easy-to-understand reports which can form a basis of discussion during Council meetings, and (iv) facilitate increased data sharing between different levels of government. Links between this system and salary administration will be explored. *The Ministry of Civil Service will take the lead in developing the system, while training will be implemented by PC Resource Facilities.*

3.1.3 Promote gender responsiveness and women's empowerment in SNAs. During 2015 high level SNA leaders will be required to complete a dynamic and mandatory training on analyzing gender issues, mainstreaming gender, and promoting women in leadership and diversity. This workshop will facilitate leaders to take practical steps in their day to day management of SNAs that will empower women. At the end of the year, the individual actions agreed to be taken by SNA leaders will be evaluated to assess the impact on management decisions. In addition, based on an analysis of constraints and a review of past experience, NCDDDS and MOWA will develop other incentives and processes to encourage women's employment in SNAs, especially at decision making level. These actions will be necessary to meet the female employment targets found in the NSDP and IP3-II. *This output will be implemented by NCDDDS and MOWA.*

IP3 OUTPUT 3.2: DEMAND-DRIVEN CAPACITY/ORGANIZATIONAL DEVELOPMENT AND ADVOCACY SUPPORT SYSTEMS FOR SNA COUNCILS AND COUNCILORS IN PLACE AT PROVINCIAL LEVEL

3.2.1 Through Provincial/Capital resource facilities provide a variety of capacity development services to SNA councilors. NCDDDS will prepare guidelines, TOR and all other documents required to operationalize the "Councilor Section" of the Resource Facility. Facility staff will identify alternative service providers (especially CSOs), and based on SNA's demand for CD and required supply side CD activities, will develop and implement a comprehensive plan to strengthen councilors' capacities. It is expected this plan is largely demand driven and rather than focusing largely on training, will provide a wide range of CD interventions. Linkages with Council Associations and their Secretariat will be forged and all CD activities will mainstream gender and take into account the different CD needs of men and women. *This output will be implemented by PC Resource Facilities, with the operating environment and guidance provide by MOI and NCDDDS.*

IP3 OUTPUT 3.3: DEMAND-DRIVEN CAPACITY AND ORGANIZATIONAL DEVELOPMENT SUPPORT SYSTEMS FOR SNA BOARDS OF GOVERNORS AND ADMINISTRATION STAFF AT PROVINCIAL LEVEL DEVELOPED

3.3.1 Through PC Resource Facilities provide a variety of capacity development services to SNA administrators and Boards of Governors. MOI and NCDDDS will prepare guidelines, TOR and all other documents required to operationalize the "Administration Section" of the Resource Facility. Facility staff will identify alternative service providers (especially CSOs), and based on SNA's demand for CD and required supply side CD activities, will develop and implement a comprehensive plan to strengthen the capacities of administrators and Boards of Governors. It is

expected this plan is largely demand driven and rather than focusing largely on training, will provide a wide range of CD interventions. The OD (Organizational Development) process and manual will be reviewed and revised and all CD activities will mainstream gender and take into account the different CD needs of men and women. *This output will be implemented by PCA resource facilities, with the operating environment and guidance provide by MOI and NCCDDS.*

IP3 OUTPUT 3.4: A RESOURCED PLAN FOR A PERMANENT LOCAL GOVERNMENT TRAINING INSTITUTE AND LONG-TERM CAPACITY DEVELOPMENT IN PLACE AND READY FOR IMPLEMENTATION

3.4.1 Develop a plan and budget for a local government training institute. During 2015 a feasibility study will be undertaken and key elements of the future local government training institute will be decided upon. Options and recommendations will be prepared for establishing the institute including: budget estimates, staffing, operations and maintenance and curriculum development. This plan will be detailed enough to ensure financing can be pursued during 2016. *This output will be implemented by MOI.*

IP3 OUTPUT 3.5: CONSTRUCT 34 DISTRICTS OFFICES TO IMPROVE THE WORKING ENVIRONMENT FOR STAFF

3.5.1 Construct 34 District Offices. During 2015, the identification, design and preparation of any outstanding procurement documents will be completed and construction of all 34 offices will be either complete or in progress. *This output will be implemented by Districts with support from MOI.*

3.3. Budget overview

The total cost of this outcome, during 2015, is \$12.8 Million. Details are documented below.

Table 9: Budget overview and sources of funds for Outcome #3

OUTPUT	BASKET	OTHER	TOTAL	NOTES
3.1.1 Develop, introduce and implement legal instruments to support decentralized SNA HR management, including staff appraisals	\$86,680	\$200,000	\$286,680	[1]
3.1.2 Develop computerized, web-enabled HR Management Information Systems	\$58,320	\$0	\$58,320	
3.1.3 Promote gender responsiveness and women's empowerment in SNAs	\$60,000	\$0	\$60,000	
3.2.1 Through Provincial/Capital resource facilities provide a variety of capacity development services to SNA councilors	\$514,500	\$200,000	\$714,500	[1]
3.3.1 Through PC Resource Facilities provide a variety of capacity development services to SNA administrators and Boards of Governors	\$2,025,199	\$0	\$2,025,199	
3.4.1 Develop a plan and budget for a local government training institute	\$0	\$0	\$0	
3.5.1 Construct 34 District Offices	\$0	\$9,676,998	\$9,676,998	[2]
TOTAL	\$2,744,699	\$10,076,998	\$12,821,697	

NOTE: "Other" includes in-kind and earmarked funding sources, consisting of [1] = EU SPACE; [2] = ADB

th

CHAPTER 4. OUTCOME #4 SNA SERVICE DELIVERY AND FUNCTIONS

4.1. Introduction and targets

This outcome aims to enable SNAs to provide meaningful services in their jurisdictions. It transfers functions from Central government to SNAs and from Provinces to Municipalities; it promotes innovation and service delivery partnerships through the general mandate; and it strengthens the delivery of administrative services. The overall outcome is:

SNAs are enabled to meet citizens' service delivery expectations and to provide meaningful services at the level of government closest to citizens

The adjacent table summarizes the targets found in the IP3-II. All implementers are responsible for achieving these targets and for designing their outputs and activities around these targets. The remainder of this chapter lists the outputs that will be produced and provides a brief budget overview.

Table 10: Performance Targets for Outcome #4

TARGET / INDICATOR	2015	2016	2017
1. % of the national budget transferred to DMs as a result of functional reassignment	0.5%	1%	3.6%
2. Number of DMs transferred all the functions, staff and resources from at least 2 large District Line Offices	0	2	5
3. Number of DMs transferred all functions, staff and resources from at least 3 small ⁵ District Line Offices	5	50	185
4. Number of Municipalities which have been transferred the functions, staff and resources for urban services ⁶	0	3	10
5. An independent evaluation concludes service delivery improved when functions were decentralized from central government to SNAs and PCs to municipalities	---	---	YES
6. % increase of CS fund expenditures on social services from 2014	50%	150%	300%
7. Number of never tried before services produced using CS and DM Funds	2	10	25
8. Number of cases of SNAs replicating other SNA success stories	2	10	50
9. Value of service delivery partnerships signed by CSs and DMs with central government, CSOs and the private sector (\$US Millions)	0.5	3	9
10. % of citizens satisfied with the delivery of new, innovative services	50%	50%	50%
11. Number of new SNAs providing OWSO services.	6	12	18
12. Average % increase in the number of different services provided and number of citizens served per OWSO	5%	10%	15%

4.2. Outputs and their description

The IP3-II document contained five outputs in terms of SNA service delivery and functions. For the purpose of this AWPB, these have been extended to include 8 specific outputs.

IP3 OUTPUT 4.1: SNAS TAKING MORE INITIATIVE TO IMPLEMENT PERMISSIVE FUNCTIONS UNDER THEIR GENERAL MANDATE

4.1.1 Regulatory framework for permissive functions and social services revised and disseminated. Guidelines will be prepared specifying partnership and cost-sharing agreements and how SNAs are expected to take initiative and implement the sub-decree on permissive functions. Typical functions will be identified. DM charters will incorporate these changes and will promote innovation. A public awareness campaign will be implemented to provide a clear and consistent message for SNAs to take initiative. The legal framework will be revised to provide incentives for SNAs to provide social services with possible biases towards infrastructure addressed. *This output will be implemented by NCDSS*

⁵ Small is an district office having 1-3 staff

⁶ Including refuse collection, sewerage removal and disposal, the management and development of markets and recreational areas, and at least 2 other services.

4.1.2: A strategy and program to promote SNA innovation and learning is designed and funded. A review of international experience in promoting local government initiative will be completed. This review will lead to the development of a program or strategy (akin to the process of developing a social accountability action plan) which includes incentives, financing arrangements, and other initiatives. *This output will be implemented by NCDDDS.*

4.1.3 DP projects funding SNA permissive functions implemented and reviewed for their feasibility of integrating into government systems. The following DPs implement projects at SNA level: UNICEF (social services), UNCDF (climate change), World Bank (social land concessions), UNDP (climate change), and UNFPA (population dynamics, sexual reproductive health, gender), UNWOMEN (violence against women and SNA gender mainstreaming). At the end of 2015, these projects will be evaluated for the feasibility of integrating them into government systems and meetings will be held with DPs on how to provide financial support through the SNIF, CS and DM Funds. *This will be implemented by NCDDDS.*

IP3 OUTPUT 4.2: SPECIFIC AND APPROPRIATE FUNCTIONS TRANSFERRED FROM MINISTRIES TO SNAS

Three different approaches will be used to promote the transfer of functions from Ministries to SNAs. Ministries completing their functional reviews in 2014 will continue with this process, while Ministries having small District Offices (social affairs and women's affairs) and Ministries having large district offices (like primary education) will be treated differently.

4.2.1: Pilots to transfer functions from the 6 Ministries completing functional reviews during the first IP3 implemented and evaluated. Based on functional reviews completed during 2014, 6 Ministries (Education, Health, Social Affairs, Rural Development, Agriculture, and Environment) will continue with and/or develop plans for pilots to test the transfer of functions during 2015. They will make arrangements to temporarily transfer staff and financial resources. They will revise their legal frameworks and build the capacity of relevant staff members implementing, supporting and monitoring the pilots. Towards the end of the year, the efficiency and effectiveness of pilot transfers will be evaluated, and decisions will be made on the future implementation of these functions from 2016 onwards. *This output will be implemented by NCDDDS and the transferring Ministries.*

4.2.2: At least 3 small district offices transferred to DMs. High level policy discussions will be organized to consider the full transfer of small district offices (having 1-2 staff) to the DM Administrations. In advance of these discussions a policy paper will be prepared providing the rationale and describing the new relationship between line Ministries, their provincial departments and DMs with regard to sector mandates. By the end of the year, decisions on the transfer of at least 3 small district offices to the DM Administrations will be made. *This output will be implemented by NCDDDS and the transferring Ministries.*

4.2.3: Policy papers completed and politicians engaged to make decisions to transfer 3 large functions from District Line Offices to DMs (primary education, health centers, and 1 other). Policy papers will be prepared describing the rationale, strengths, weaknesses, and international experience in decentralizing primary education, health and at least one other major function. The analysis will investigate the feasibility of transferring district line offices carrying out these functions to DMs. They will be designed to engage politicians in a series of high-level decision making exercises that will be organized by NCDDDS. By the end of the year, plans will be made concerning the transfer of these functions. Based on experience from these activities, the functional transfer process will be reviewed and revised. *This output will be implemented by NCDDDS, the transferring Ministries and participating DMs.*

IP3 OUTPUT 4.3: TRANSFER URBAN SERVICES FROM PROVINCES TO MUNICIPALITIES

4.3.1 Transfer of solid waste management function to 26 Municipalities implemented and pilots to transfer two additional urban services to Municipalities designed. The decision by the Ministry of Environment to transfer the function of solid waste management to Municipalities will be legalized through a sub-decree and implemented in 2015. In addition, and based on an analysis in a sample of Provinces/Municipalities, two additional urban services will be identified for possible transfer to the Municipality and pilots will be designed during the year for implementation in 2016. *This output will be implemented by NCDDS, relevant Ministries, and the transferring PCs and Municipalities.*

IP3 OUTPUT 4.4: EXPAND ADMINISTRATIVE SERVICES DEVELOPED UNDER ONE WINDOW SERVICE OFFICES

4.4.1: Expand OWSOs to 5 new DMKs and complete the regulatory framework to extend administrative service delivery functions to CSs and PCs. The existing 36 OWSOs will continue to be supported and activities to promote their expansion of coverage and services will be undertaken. New OWSOs will be formed in 5 DMKs. A study will be completed to identify additional feasible services which can be transferred from Ministries to DMKs and new services which can be implemented in PCs and CSs. The regulatory framework for these administrative services will be developed and piloted in 2 Provinces. *This output will be implemented by MOI and the participating SNAs*

IP3 OUTPUT 4.5: IMPLEMENT SERVICE DELIVERY PARTNERSHIPS BETWEEN SNAS AND CSOS AND THE PRIVATE SECTOR

4.5.1 Facilitate the signing of 0.5 million dollars of SNA partnership agreements with CSOs and the private sector. As part of output 4.1, mechanisms and templates will be developed to facilitate partnership arrangements. National discussions with NGOs, Chambers of Commerce, etc., will be held. A sample of SNAs with existing partnership arrangements with CSOs and private sector will be identified to study current practice and the measures to be taken to enhance collaboration and replicate success. Mechanisms and templates will be finalized and disseminated to SNAs and CSOs and followed up through PC Resource Facilities. *This output will be implemented by NCDDS and by representatives from civil society and the private sector.*

4.3. Budget overview

The total cost of this outcome, during 2015, is \$6.28 Million. Most expenditures are earmarked projects implementing SNAs' general mandate in social services. Details are documented below.

Table 11: Budget overview and sources of funds for Outcome #4

OUTPUT	BASKET	OTHERS	TOTAL	NOTES
4.1.1 Regulatory framework for permissive functions and social services revised and disseminated	\$0	\$200,000	\$200,000	[1]
4.1.2 A strategy and program to promote SNA innovation and learning is designed and funded	\$0	\$0	\$0	
4.1.3 DP projects funding SNA permissive functions implemented and reviewed for their feasibility of integrating into government systems	\$0	\$4,553,518	\$4,553,518	[2]
4.2.1 Pilots to transfer functions from the 6 Ministries completing functional reviews during the first IP3 implemented and evaluated	\$430,000	\$366,600	\$796,600	[3]
4.2.2 At least 3 small district offices transferred to DMs	\$0	\$0	\$0	
4.2.3 Policy papers completed and politicians engaged to make decisions to transfer 3 large functions from District Line Offices to DMs (primary education, health centers, and 1 other)	\$15,000	\$0	\$15,000	
4.3.1 Transfer of solid waste management function to 26 Municipalities implemented and pilots to transfer two additional urban services to Municipalities designed	\$25,000	\$625,000	\$650,000	[4]
4.4.1 Expand OWSOs to 5 new DMKs and complete the regulatory	\$65,400	\$0	\$0	

	framework to extend administrative service delivery functions to CSs and PCs				
4.5.1	Facilitate the signing of 0.5 million dollars of SNA partnership agreements with CSOs and the private sector	\$0	\$0	\$0	
TOTAL		\$535,400	\$5,745,118	\$6,280,518	

NOTE: "Other" includes in-kind and earmarked funding sources, consisting of [1] = EU SPACE; [2] = UNICEF, UNFPA, UNDP SNC Scale up, UNCDF LGCC2, LASED, ADB-TS-PRSDP, UN WOMEN, and WB CTBB; [3] = EU-SPACE, UNCDF/LDDHS; [4] = ADB/RWS and WB/WSP

CHAPTER 5. OUTCOME #5 FISCAL DECENTRALIZATION

5.1. Introduction and targets

Fiscal transfer mechanisms will be designed and implemented which will increase SNAs' access to financial resources. Chief amongst these are the DM Fund, conditional transfers, the SNIF (Sub-National Investment Facility) and SNA own source revenues. Under this outcome, financial management and planning systems will also be developed and reviewed. These are expected to provide SNAs increased autonomy, to reduce delays in disbursement of funds, and to facilitate SNAs to develop and implement plans which are comprehensive, clearly state strategic goals, and are led and overseen by Councilors. The overall outcome is:

Financial resources are adequate, well planned and well managed enabling DMs to meet their service delivery mandates

Table 12: Performance Targets for Outcome #5

TARGET / INDICATOR	2015	2016	2017
1. DM development component as a% of the national revenues	----	0.5%	0.5%
2. % of DM revenues raised through own sources	0%	2.5%	10%
3. Community contributions to CS and DM projects (\$US Millions)	0.2	0.5	2
4. Were delays are encountered in implementing the functional transfer due to the development of conditional grant mechanisms	NO	NO	NO
5. Value of projects implemented through the SNIF (\$US Millions)	0	3	3
6. Reduction in the number of delays faced by SNAs in the disbursement of funds	10%	25%	50%
7. % of PCs and DMKs using new planning systems which have clear corporate plans overseen by councilors	100%	100%	100%

The adjacent table summarizes the targets found in the IP3. All implementers are responsible for achieving these targets and for designing their outputs and activities around these targets. The remainder of this chapter lists the outputs that will be produced and provides a brief budget overview.

5.2. Outputs and their description

The IP3 document contained 8 outputs in terms of fiscal decentralization. For the purpose of this AWPB, these have been extended to include 12 specific outputs.

IP3 OUTPUT 5.1: DM FUND OPERATIONAL WITH 0.5% OF NATIONAL RECURRENT REVENUES RING-FENCED FOR DEVELOPMENT ACTIVITIES

5.1.1 DM fund ring-fenced with 0.5% of the national recurrent budget revenues available for development activities by 2016. MEF will review and revise the DM fund allocation formula to ensure adequate funds for DM development. Based on projections of recurrent domestic revenue and the increasing percentage allocated to the DM Fund over the next three years, achieving the target of 0.5 % for DM development will only be possible from 2019. As such external financing through budget support to the DM Fund is needed in declining proportions for the period 2016-2018. The MEF and NCDSS will negotiate with DPs beginning in the first quarter of the year to ensure that the processing of potential DP support is timely. *This output will be implemented by MEF with support from NCDSS.*

IP3 OUTPUT 5.2: CONDITIONAL GRANT MECHANISMS IN PLACE TO SUPPORT FUNCTIONAL TRANSFER

5.2.1 Design of conditional grant mechanisms for pilots to transfer functions from the 6 Ministries completing functional reviews during the first IP₃ implemented and evaluated. As offices and functions are transferred to DM SNAs, existing transfer mechanisms will be reviewed and revised, including the efficiency and transparency of existing formulas. The design of conditional grant mechanisms is expected to begin as early as possible so not to delay the actual transfer of functions. As mechanisms are implemented they will be continually monitored and evaluated. *This output will be implemented by the MEF with support from Ministries transferring functions.*

IP₃ OUTPUT 5.3: DEVELOP A MEDIUM TERM VISION AND TARGETS FOR SNA REVENUES AND EXPENDITURES

5.3.1 Fiscal decentralization strategy approved which outlines a medium term vision and targets for SNA revenues and expenditures. The strategy will ensure fiscal decentralization is moving forward in a holistic manner and with clear strategic sequencing. It will reflect the spirit of the Organic Law and the NP-SNDD in which the DM is expected to become the main service provider. It will ensure there are realistic targets for revenues (according to each broad category) and based on the operations and efficiency review, expenditures for each level of SNA. It will distinguish between rural and urban SNAs, taking into account own source revenue potentials and spending needs. The targets it derives will be important in any revision of the allocation of unconditional grants, so that some equalization of finances for service delivery is realized. The strategy will identify areas in which piloting and phasing are required and will spell-out all relevant interventions, further analytical work, systems design requirements, and the time lines needed to achieve targets. The strategy will be based upon a financial analysis and review the efficiency of SNA operations. This will identify, over the medium to long term, the optimal number of staff and administrative structures required to supply services in the most efficient way possible. In rationalizing costs, the objective will be to channel expenditures away from administration and into service delivery. *This output will be implemented by MEF with support from ADB technical assistance.*

5.3.2 Gender Responsive Budgeting (GRB) tools designed. A consultant will design a strategy, regulation and tools to implement GRB in SNAs. The will be approved during 2015, and rolled out, through training, during early 2016 (in conjunction with the revised planning systems described in output #5.8.1 below). *This output will be implemented by NCDDES and MOWA, with support by MEF.*

IP₃ OUTPUT 5.4: SNAS COLLECT OWN SOURCE REVENUES

5.4.1 Design pilots to test own source revenue collection and voluntary contributions in 2016. During 2015 MEF will complete any analysis required to develop pilots (including financial management processes) that will test own source revenue collection in 2016. In doing so, decisions will be made about which revenue streams are most viable. In addition to this, the collection of voluntary contributions will be reviewed and procedures for increasing or improving them will be designed. Key civil society organizations will be consulted concerning user fees and community contributions. *This output will be implemented by MEF.*

IP₃ OUTPUT 5.5: SUB-NATIONAL INVESTMENT FACILITY (SNIF) ESTABLISHED AND IMPLEMENTED

5.5.1 SNIF fully established and operational for 2016. During 2015, strategic decisions will be made and all regulations and instruments will be designed so that the SNIF can begin implementation from January 2016. In particular: (i) regulatory work will be approved to establish the SNIF institutional and financing framework; (ii) SNA eligibility criteria will be approved which promotes SNA compliance with the legal and regulatory framework concerning sound PFM in particular and good local governance in general; (iii) procedures and protocols will be approved

whereby eligible SNAs prepare and submit project proposals for funding; proposals are screened, appraised and approved for SNIF funding; and SNAs implement these projects when funding is approved; (iv) official decisions will be made establishing key institutions and organizations responsible for managing the SNIF; and (v) national and international funding will be mobilized. *This output will be implemented by MEF.*

IP3 OUTPUT 5.6: BUDGET ALLOCATION FOR PROVINCES/CAPITAL REVIEWED, REVISED AND IMPLEMENTED

5.6.1 Develop and approve a regulation on the revised budget allocation process for PCs and apply the process for the 2016 budget. This will involve: (i) studying results from recent informal changes in PC allocation formulas; (ii) reviewing the potential and capacity of PCs in collecting own source revenues as well as their expenditure needs; (iii) identifying the criteria and indices for a formula for PC budget allocations including incentives which will promote SNA revenue collection. *This output will be implemented by MEF.*

IP3 OUTPUT 5.7: SNA FINANCIAL MANAGEMENT SYSTEMS STRENGTHENED

5.7.1 Based on analytical work focused on SNA expenditure constraints improve and officially amend SNA financial management systems. Based on field visits and dialogue with SNAs, NCDDS and MoI, constraints to the current financial management system and budget execution procedures will be identified and proposals formulated to enhance efficiency and effectiveness with special attention on the provision of social services. The proposals and recommended revisions will be discussed in a workshop with concerned stakeholders and thereafter guidelines will be revised for introduction in the 2016 budget year.

5.7.2 SNA financial reporting systems strengthened and computerized, with data available on line to key decision makers. Paper (manual) reporting systems will be reviewed and revised. A database system will be developed to capture key information on SNA revenues and expenditures. *This output will be implemented by MEF.*

IP3 OUTPUT 5.8: SNA PLANNING SYSTEMS REVISED IN A MANNER THAT STRENGTHENS OVERSIGHT AND ACCOUNTABILITY ROLES WITHIN THE SNA AND BETWEEN THE SNAS AND LINE DEPARTMENTS/OFFICE

5.8.1 All planning systems fully designed and tested, in the form of guidelines, manuals and training materials, so they can be rolled out in early 2016. The planning policy was completed in 2014. Since the planning process begins in mid-year, it will not be possible to complete all tools and instruments, to train SNAs on their use, and to have SNAs adopt the new planning systems in time for the 2016 budget. Therefore, design will be completed in 2015 and training and rollout will take place in early 2016, followed by their use in developing 2017 plans and budgets. Design work (with UNICEF support) will ensure planning is evidence-based, participatory and comprehensive and merges initiatives in social accountability, climate change, and social service provision. *This output will be implemented by SNAs; MOP will design all regulatory instruments and training materials; PC Resource Facilities will capacitate SNAs to use the new systems.*

5.8.2 Develop and revise computerized planning tools to support the new processes. A joint NCDDS-MOP review of the CDB will be completed, with a focus on making the data timelier and increasingly available to the public. MOP will design new databases to track the planning process and the implementation of SNA plans. *This output will be implemented by MOP.*

5.3. Budget overview

The total cost of this outcome, during 2015, is \$1.35 Million. Details are documented below.

Table 13: Budget overview and sources of funds for Outcome #5

OUTPUT	BASKET	OTHERS	TOTAL	NOTES
5.1.1 DM fund ring-fenced with 0.5% of the national recurrent budget revenues available for development activities by 2016	\$0	\$0	\$0	
5.2.1 Design of conditional grant mechanisms for pilots to transfer functions from the 6 Ministries completing functional reviews during the first IP3 implemented and evaluated	\$0	\$73,640	\$73,640	[1]
5.3.1 Fiscal decentralization strategy approved which outlines a medium term vision and targets for SNA revenues and expenditures	\$0	\$0	\$0	
5.3.2 Gender Responsive Budgeting (GRB) tools designed	\$52,500	\$0	\$52,500	
5.4.1 Design pilots to test own source revenue collection and voluntary contributions in 2016	\$0	\$85,592	\$85,592	[1]
5.5.1 SNIF fully established and operational for 2016	\$0	\$256,870	\$256,870	[1]
5.6.1 Develop and approve a regulation on the revised budget allocation process for PCs and apply the process for the 2016 budget	\$0	\$49,620	\$49,620	[1]
5.7.1 Based on analytical work focused on SNA expenditure constraints improve and officially amend SNA financial management systems	\$96,033	\$400,000	\$496,033	[2]
5.7.2 SNA financial reporting systems strengthened and computerized, with data available on line to key decision makers	\$10,230	\$0	\$10,230	
5.8.1 All planning systems fully designed and tested, in the form of guidelines, manuals and training materials, so they can be rolled out in early 2016	\$320,854	\$0	\$320,854	
5.8.2 Develop and revise computerized planning tools to support the new processes	\$0	\$0	\$0	
TOTAL	\$479,617	\$865,722	\$1,345,339	

NOTE: "Other" includes in-kind and earmarked funding sources, consisting of [1] = ADB/DPSFM; [2] = ADB/PPTA.

ANNEX 1: CLOSING SPEECH BY H.E. SAR KHENG AT THE AWPB NATIONAL WORKSHOP

**National Workshop on the Formulation of the
2014 NCDD Annual Work Plan and Budget
4-5 February 2015, Mol Phnom Penh**

**Closing Speech
H.E Sar Kheng
Deputy Prime Minister
Minister of Interior
Chairman, NCDD**

- **Excellency, Deputy Prime Ministers, Senior Ministers, Ministers, Members of NCDD**
- **Excellency, Heads of Provincial and Capital Councils and Governors**
- **Distinguished delegates from our donor partners and NGOs,**
- **Ladies and Gentlemen,**

It is my honor and my great pleasure to preside over the closing ceremony of this important National Workshop on the Formulation of the 2015 NCDD Annual Work Plan and Budget. I wish to congratulate everyone for their work in formulating the 2015 Annual Work Plan and Budget, even though during the past six months most of you have been extremely busy with the design of the second IP₃ to take forward the National Program for Democratic Development. At this point, I wish to thank our development partners for their continued support, both financial and technical. I also wish to thank Civil Society Organizations for their contribution, support and participation in some key areas of the overall process on the reform program.

Excellency, Ladies and Gentlemen,

As we move from the first IP₃ to the second, we have an opportunity to take a new medium-term strategic direction and to approach our D&D reform program with renewed vigor and urgency. In this closing session, I wish to give emphasis to one key issue before providing my guidance on some of the key priorities to be achieved during the second phase of IP₃.

If we look back, we will recognize that we have made a great deal of progress under the first IP₃ and we will also realize that if we took full advantage of the opportunity and resources available to us with more active participation from Ministries, we could have achieved much more.

The first IP₃ was about developing the regulatory framework for decentralization: the policies, sub-decrees, guidelines and manuals which reflect our vision of democratic development with accountable Sub-national Administrations which will gradually be provided more autonomy to develop new innovative approaches to service delivery and local development for the benefit of citizens. The first phase was about making decisions and preparing the ground work. Looking back, the Sub-National Administrations have been restructured for more than 4 years now but no specific functions have been transferred to them. In this regard, when we consider how quickly the Ministry of Environment has moved forward with the functional reassignment of waste disposal management to Municipalities, we realize that the slow pace in the first phase implementation was in part related to the level of participation and decision making by Ministries. Therefore, in this

next phase, on behalf of NCDD, I call for the high-level decision makers of each ministry to prioritize decentralization as part of their core business. It is not just an additional activity to be carried out by the technical working group of each Ministry.

Excellency, Ladies and Gentlemen,

We are now entering the second phase of the IP3. Therefore, let me be very specific about some of the expected results which have been agreed to by Ministries and SNAs and approved by NCDD.

First, significant functions must be transferred to Sub-national Administrations, particularly Districts and Municipalities. We cannot just transfer functions which have little or no budget with which to support implementation. As described in the Organic Law, it is our intention to transfer functions which are "beneficial and useful to residents," and which are expected to have a "large impact in a jurisdiction." In a decentralized system, Central Ministries are responsible for policies, standards, monitoring and resource mobilization and allocation. Sub-National administrations are responsible for the day to day management and provision of services. In doing so, local governments are provided the freedom to manage staff and finances to provide services to citizens. As long as standards are met, central level should not micro-manage.

There are many reasons to decentralize functions. The most important reason is to move decision making closer to the people. It promotes innovation. It provides a shorter route to accountability. If a citizen is unhappy with services received they can approach their local councilors.

So far, some Ministries have shown reluctance or do not want to release power. I believe this is the wrong way of looking at it. Actually, decentralization doesn't decrease power, it just redefines how power is used. For example, in the case of Primary Education, the Ministry of Education, Youth and Sports will always be responsible for Education. It's just that in the future they will not be providing education directly down a long chain of command. Their job is to define how children in Cambodia should be educated; what children should know; what teachers should do and what their qualifications should be. Through policy, the Ministry is responsible for defining our way forward, for ensuring our children are good citizens and that they have useful skills and knowledge in the modern market place. The Ministry would be responsible for assuring Sub-National Administrations are accountable for meeting our country's standards of education. So as I said, the power is still there, but it is exerted in a different way. Furthermore, the above policy is not new in Cambodia as we used to follow this approach during the 1980s. In addition, other countries within the region and outside the region have also successfully adopted the policy of decentralizing education.

Second, resources need to flow to Sub-national Administrations and it is essential that DMs begin undertaking development activities. As regard to fiscal decentralization, I would like all participants of this workshop to take into account the recommendations mentioned by H.E. Keat Chhon, Permanent Deputy Prime Minister and Deputy Chairman of the NCDD in his opening remarks yesterday.

Third, our system of legality control needs to be strengthened to ensure compliance but the procedures used should not result in too much micro management. We need to safeguard but we also need to avoid delays in implementation that will reduce cost effectiveness. In 2015, we need to review the Sub-National budget execution procedures to avoid the delays that were experienced last year. The Ministry of Interior needs to assess whether or not officials are following our laws and regulations. And, if officials are not, actions need to be taken. Our legality control systems need to build strong incentives to comply and they need to include sanctions to prevent undesirable behavior.

Fourth, providing autonomous power to Sub-National Councils for managing their own staff is a necessary factor to strengthen the accountability of those staff to their SNA in performing their assigned tasks. It also increases the responsibility and accountability of the SNA itself in the delivery of services and local development and ensures better coordination of all public activities undertaken in their jurisdictions based on the principles of a unified administration.

In this regard, during the first IP3, the Royal Government of Cambodia has gradually delegated power to SNA for management of all civil servants in their jurisdiction. At the same time, the draft statute for SNA personnel has been prepared. However, due to the need to revise the common principle for the arrangement of civil servants there has been a delay in finalizing this draft statute. As such, in the second phase of the IP3, I would like the Ministry of Civil Service to collaborate with the Ministry of Interior, other concerned ministries, and SNAs to finalize this draft statute and to consider this as a priority within their 2015 work plan and budget.

Meanwhile, the Ministry of Interior should cooperate with relevant ministries to continue to improve the process of SNA human resource and institutional development by focusing on the establishment of Capital and Provincial Resource Facilities and an SNA Human Resource Training Institution to ensure the effectiveness of demand-driven capacity development interventions.

Fifth, at the end of 2014 the Royal Government approved and issued a policy framework on the Sub-national Planning System to provide a road map for the revision of current SNA planning systems. In this respect, I would like the Ministry of Planning to collaborate with the Ministry of Interior, the NCDDS, other concerned Ministries and SNAs to review and revise the technical guidelines on SNA planning systems. The review and revision needs to ensure that the SNA planning systems reflect the different types of SNAs in both urban and rural areas and integrate social accountability, climate change, social service initiatives and a focus on vulnerable people, such as women, children, handicapped and indigenous groups. In addition a planning calendar should be established that will facilitate planning coordination between different tiers of administration.

Excellency, Ladies and Gentlemen,

The overall political, economic and social situation in Cambodia has rapidly changed. At the same time, through the rapid development of information technology, people have an increased access to information and have a better knowledge of what is happening in the country.

In terms of public servants, we all have a clear responsibility to serve the people and each of us needs to secure their trust in our performance. We can't just talk about development, talk about decentralization, talk about the transfer of power to Sub-national Administrations, talk about the improvement of service delivery and local development to respond to the need of the people. We need to act and we need to act decisively. Sub-national Administrations interact daily with citizens. They should be the face of Government, the first contact point between citizens and the state. In this regard, if we don't strengthen local governments, if we don't provide Sub-national Administrations with meaningful functions, financial resources and power to manage their own staff, we won't be able to meet the rising expectations of our citizens.

Therefore, the implementation of the 2015 Annual Work Plan and Budget is critical for achieving the goals and objectives of the IP3-II. It provides an opportunity to both build upon our previous successes and to start afresh, to overcome the challenges and effectively respond to the real situation.

In this regard, I would like to reconfirm the Royal Government's strong political commitment to our reform and this commitment has been clearly reflected in our achievements to date. Nevertheless,

we still need the support from our development partners in the medium term to ensure that the goals of our reform program can be achieved.

On behalf of the Cambodian people and the Royal Government of Cambodia, I would like to express my sincere gratitude to our development partners for their understanding and valuable support to the democratic development reforms and I would like to assure you that your assistance will continue to be used in a transparent and accountable manner. I would also like to thank Development Partners and Civil Society Organizations for their comments in this workshop and we will continue to make our best effort to deepen the constructive and frank partnership with Development Partners and Civil Society Organizations to jointly respond to the needs of the people.

Again, I would like to thank all Excellencies, Ladies and Gentlemen for spending their valuable time to participate and provide inputs to the two day workshop and I would like to thank the NCDD Secretariat for organizing the workshop.

In closing, with the fruitful results of our workshop, on behalf of the Royal Government of Cambodia and on behalf of the NCDD, I would like to wish you all the four Buddhist wishes and I would like to officially announce the closing of the National Workshop on Formulation of the 2015 NCDD Annual Work Plan and Budget.

Thank you

ANNEX 2: TA / STAFFING

Table 14: IP3 staffing levels and budget

ITEM	Advisors		Contract Staff		Total	
	Staff	Salary	Staff	Salary	Staff	Salary
1. National Level	29	\$1,158,892	97	\$595,380	126	\$1,754,272
1.1. NCDDES	20	\$944,428	74	\$455,280	94	\$1,399,708
1.1.1. International Advisors	3	\$536,968			3	\$536,968
1.1.2. National Advisors and Contract Staff	17	\$407,460	74	\$455,280	91	\$862,740
1.1.2.1. Policy Analysis and Development Division	6	\$130,860	6	\$51,600	12	\$182,460
1.1.2.2. Program Management and Support Division	3	\$79,020	6	\$51,300	9	\$130,320
1.1.2.3. Administration and Finance Division	2	\$52,380	47	\$235,200	49	\$287,580
1.1.2.4. Monitoring, Evaluation and Information Division	6	\$145,200	13	\$101,340	19	\$246,540
1.1.2.5. Internal Audit Group	0	\$0	2	\$15,840	2	\$15,840
1.2. MOI	7	\$160,344	10	\$59,400	17	\$219,744
1.3. Ministry of Public Service	1	\$27,060	2	\$11,280	3	\$38,340
1.4. Ministry of Finance	1	\$27,060	4	\$14,220	5	\$41,280
1.5. League	0	\$0	7	\$55,200	7	\$55,200
2. Sub-National Level	97	\$1,771,080	790	\$2,548,200	887	\$4,319,280
2.1. Capital and Provincial Level	97	\$1,771,080	180	\$692,400	277	\$2,463,480
2.2. Municipal, District and Khan Level	0	\$0	610	\$1,855,800	610	\$1,855,800
3. TOTAL (Row #1 + Row #2)	126	\$2,929,972	887	\$3,143,580	1013	\$6,073,552

NOTE: figures include insurance and other fees

ANNEX 3: IMPLEMENTATION RESPONSIBILITIES

Table 15 : Summary of main responsibilities for implementing each output in the 2015 AWPB

CODE	OUTCOME AND OUTPUT
NCDD	
OUTCOME 1	Improved management of the NP-SNDD reform process geared towards management of change
Output 1.1.1	NCDD management meetings held using improved, revised processes
NCDDS	
OUTCOME 1	Improved management of the NP-SNDD reform process geared towards management of change
Output 1.2.1	NCDDS procedures reviewed and revised including structures, capacity and CD, RBM, financial management, AWPB planning, and policy development
Output 1.3.1	IP3-II Communication and learning strategy designed and implemented
Output 1.5.1	PCs and DMKs strengthened to more effectively manage capacity development processes through SNA resource centers
OUTCOME 2	SNAs function as local democratic and accountable institutions, including accountability of the BOG to the Council, accountability of Councilors to citizens and accountabilities of SNAs to comply with national laws and standards
Output 2.1.1	DM Charters approved in 50 DMs
Output 2.1.2	Systems and procedures reviewed to ensure that the role of the Council is consistent with the Organic Law and that Councilors' legislative, decision making, and oversight functions are strengthened
Output 2.2.1	Social Accountability activities implemented in 22 Districts
Output 2.4.2	Design and implement a computerized DMK M&E system which provides useful information to Council meetings, which meets the needs of users, and which increasingly collects and inputs national information at the DMK level
OUTCOME 3	SNAs autonomously and effectively manage and develop their staff in order to meet their service delivery mandates and priorities
Output 3.1.3	Promote gender responsiveness and women's empowerment in SNAs
Output 3.2.1	Through Provincial/Capital resource facilities provide a variety of capacity development services to SNA councilors
Output 3.3.1	Through PC Resource Facilities provide a variety of capacity development services to SNA administrators and Boards of Governors
OUTCOME 4	SNAs are enabled to meet citizens' service delivery expectations and to provide meaningful services at the level of government closest to citizens
Output 4.1.1	Regulatory framework for permissive functions and social services revised and disseminated
Output 4.1.2	A strategy and program to promote SNA innovation and learning is designed and funded
Output 4.2.1	Pilots to transfer functions from the 6 Ministries completing functional reviews during the first IP3 implemented and evaluated
Output 4.2.2	At least 3 small district offices transferred to DMs
Output 4.2.3	Policy papers completed and politicians engaged to make decisions to transfer 3 large functions from District Line Offices to DMs (primary education, health centers, and 1 other)
Output 4.3.1	Transfer of solid waste management function to 26 Municipalities implemented and pilots to transfer two additional urban services to Municipalities designed
Output 4.5.1	Facilitate the signing of 0.5 million dollars of SNA partnership agreements with CSOs and the private sector
Council of Associations	
Output 1.5.2	Restructure, support and strengthen the capacity of the Council Associations
Ministry of Economy and Finance	
OUTCOME 5	Financial resources are well planned, well managed, and adequate for DMs to meet their service delivery mandates
Output 5.1.1	DM fund ring-fenced with 0.5% of the national recurrent budget revenues available for development activities by 2016
Output 5.2.1	Design of conditional grant mechanisms for pilots to transfer functions from the 6 Ministries completing functional reviews during the first IP3 implemented and evaluated
Output 5.3.1	Fiscal decentralization strategy approved which outlines a medium term vision and targets for SNA revenues and expenditures
Output 5.3.2	Gender Responsive Budgeting (GRB) tools designed

CODE	OUTCOME AND OUTPUT
Output 5.4.1	Design pilots to test own source revenue collection and voluntary contributions in 2016
Output 5.5.1	SNIF fully established and operational for 2016
Output 5.6.1	Develop and approve a regulation on the revised budget allocation process for PCs and apply the process for the 2016 budget
Output 5.7.1	Based on analytical work focused on SNA expenditure constraints improve and officially amend SNA financial management systems
Output 5.7.2	SNA financial reporting systems strengthened and computerized, with data available on line to key decision makers
Ministry of Interior	
OUTCOME 1	Improved management of the NP-SNDD reform process geared towards management of change
Output 1.4.1	Ministries implementing functional transfers have enhanced ownership of and participation in the reform process
OUTCOME 2	SNAs function as local democratic and accountable institutions, including accountability of the BOG to the Council, accountability of Councilors to citizens and accountabilities of SNAs to comply with national laws and standards
Output 2.3.1	Compliance inspection system designed and tested in at least 10 locations
Output 2.2.3	Complaints handling mechanisms reviewed, redesigned and tested in DMK and CS levels
Output 2.4.1	All PC and DMK operational procedures and manuals completed and rolled out nation-wide
OUTCOME 3	SNAs autonomously and effectively manage and develop their staff in order to meet their service delivery mandates and priorities
Output 3.3.1	Through PC Resource Facilities provide a variety of capacity development services to SNA administrators and Boards of Governors
Output 3.4.1	Develop a plan and budget for a local government training institute
Output 3.5.1	Construct 34 Districts Offices to improve the working environment for staff
OUTCOME 4	SNAs are enabled to meet citizens' service delivery expectations and to provide meaningful services at the level of government closest to citizens
Output 4.1.3	DP projects funding SNA permissive functions implemented and reviewed for their feasibility of integrating into government systems
Output 4.4.1	Expand OWSOs to 5 new DMKs and complete the regulatory framework to extend administrative service delivery functions to CSs and PCs
Sector Ministries	
OUTCOME 1	Improved management of the NP-SNDD reform process geared towards management of change
Output 1.4.1	Ministries implementing functional transfers have enhanced ownership of and participation in the reform process
OUTCOME 4	SNAs are enabled to meet citizens' service delivery expectations and to provide meaningful services at the level of government closest to citizens
Output 4.2.1	Specific and appropriate functions transferred from Ministries to SNAs
Output 4.3.1	Transfer urban services from Provinces to Municipalities
Ministry of Civil Service	
OUTCOME 3	SNAs autonomously and effectively manage and develop their staff in order to meet their service delivery mandates and priorities
Output 3.1.1	Develop, introduce and implement legal instruments to support decentralized SNA HR management, including staff appraisals
Output 3.1.2	Develop computerized, web-enabled HR Management Information Systems
Ministry of Planning	
OUTCOME 5	Financial resources are well planned, well managed, and adequate for DMs to meet their service delivery mandates
Output 5.8.1	All planning systems fully designed and tested, in the form of guidelines, manuals and training materials, so they can be rolled out in early 2016
Output 5.8.2	Develop and revise computerized planning tools to support the new processes
Ministry of Women's Affairs	
Output 3.1.3	Promote gender responsiveness and women's empowerment in SNAs
Sub-National Administrations	
OUTCOME 1	Improved management of the NP-SNDD reform process geared towards management of change
Output 1.5.1	PCs and DMKs strengthened to more effectively manage capacity development processes through SNA resource centers
OUTCOME 2	SNAs function as local democratic and accountable institutions, including accountability of the BOG

CODE	OUTCOME AND OUTPUT
	to the Council, accountability of Councilors to citizens and accountabilities of SNAs to comply with national laws and standards
Output 2.2.1	Social Accountability activities implemented in 22 Districts
Output 2.2.2	Public Forums and other PC and DMK level civic engagement activities implemented
OUTCOME 3	SNAs autonomously and effectively manage and develop their staff in order to meet their service delivery mandates and priorities
Output 3.5.1	Construct 34 District Offices
OUTCOME 4	SNAs are enabled to meet citizens' service delivery expectations and to provide meaningful services at the level of government closest to citizens
Output 4.1.3	DP projects funding SNA permissive functions implemented and reviewed for their feasibility of integrating into government systems
Output 4.5.1	Facilitate the signing of 0.5 million dollars of SNA partnership agreements with CSOs and the private sector

ANNEX 4: RESULTS FRAMEWORK / TARGETS

Table 16: Results Framework, matrix of indicators

Program Narrative/Result	Indicators	Baseline / Year	Target 2015	Target 2016	Target 2017	Data Source, Note, Disaggregation
Goal: To improve the welfare and quality of life of all local residents of SNAs; to locally empower citizens through political and other processes to ensure equality, fairness and the protection of basic rights	1. CDB-CMDG1 Poverty Score		15.9%	14.9%	13.9%	Ministry of Planning, National Strategic Development Plan 2014-8
	Purpose: To improve the capacity, management, governance, and service delivery of SNAs, to ensure they meet their democratic development mandate	2. Service delivery satisfaction index (**)		74.19	76.00	77.81
	3. Governance index (**)		57.80	59.21	60.62	As above
	4. DMK capacity index (**)		50.49	51.72	52.95	Capacity assessment; disaggregated by DM, function, office, gender
	5. SNA compliance inspection score (**)	N/A		+5%	+10%	
	6. Index of decentralization and SNA autonomy	N/A		+5%	+10%	
	Outcome #1: Improved management of the NP-SNDD reform process geared towards management of change	7. Has NCDD held at least 3 meetings per year; debated performance management in at least 2 and discussed social equity in at least 1?	NO	YES	YES	YES
	8. Expenditure on TA (\$US Millions)	5.9	5.5	4.5	4.0	
	9. Number of people reached in Social marketing campaigns (undertaken with CSOs) (in thousands)	0 (2014)	100	100	100	
	10. % of program implementers satisfied with NCDDs planning, policy development and financial management procedures		50%	60%	70%	Survey of program implementers
	11. % of program milestones and targets met on time (**)	14%	50%	60%	70%	
	12. Cumulative number of sector Ministries making public statements strongly supporting decentralization	0	1	2	5	
Outcome #2: SNAs function as local democratic and accountable institutions, including accountability of the BOG to the Council,	13. The regulatory framework is strengthened to ensure more effective councilor oversight and decision making powers, especially in terms of resource allocation and use		Yes	Yes	Yes	
	14. Number of DMs adopting and implementing DM charters (*)	0	50	185	185	
	15. 80% of DM councilors who believe their powers vis a vis the BOG are SIGNIFICANTLY stronger than they were in the past		20%	50%	80%	Governance survey; disaggregated by type of DM, gender, etc.

Program		Baseline /	Target	Target	Target	
Narrative/Result	Indicators	Year	2015	2016	2017	Data Source, Note, Disaggregation
accountability of Councilors to citizens and accountabilities of SNAs to comply with national laws and standards	16. Number of DMK council meetings using information generated through a web-based DMK MIS / M&E system	0	100	300	591	DMK Capacity assessment; target is for 3 meetings / year in 2017
	17. Number of districts where all communes posted information to the public (according to disclosure of information regulations), participated in citizen monitoring exercises, and developed (JAAPs) to improve service delivery (*)	0	20	70	120	
	18. A second phase social accountability program developed to cover other services and levels of SNAs	NO	NO	NO	YES	
	19. Number of complaints collected and managed by CSs	0	0	1,000	3,000	About 2 per CS
	20. Number of complaints collected and managed by DMKs	0	0	500	1,200	About 6 per DMK
	21. Number of citizens attending District Forums	0	5,000	7,000	9,000	About 50 persons / forum
	22. Number of CSOs attending District Forums	0	500	700	900	About 5 CSOs/DM
	23. Financial contribution of Communes to the JAAP	0	\$100,000	\$250,000	\$500,000	
	24. Impact evaluation completed using control and treatment groups and showing improvement on I4C indicators	NO	NO	NO	YES	
	25. % of all PCS and DMKs have been inspected for compliance with SNA laws and regulations and have received a satisfactory assessment (*)	0	20%	30%	40%	
Outcome #3: SNAs autonomously and effectively manage and develop their staff in order to meet their service delivery mandates and priorities	26. % of targeted SNA administrative staff who are recruited, appointed, and disciplined based on Council decisions and without prior central government approval or participation	0%	100%	100%	100%	DMK capacity assessment
	27. % of PC and DMK management staff have their performance appraised by their immediate superiors	0%	50%	75%	95%	DMK Capacity assessment
	28. % of PC administration directors who are female (*)	0.3% (2013)	8.18%	12.12%	16.06%	To reach 20% by 2018.
	29. % of PC division heads who are female (*)	0.3% (2013)	8.20%	12.13%	16.07%	As above
	30. % of DMK administration directors who are female (*)	18% (2013)	16.23%	19.15%	22.08%	To reach 25% by 2018
	31. % of DMK administration division heads who are female (*)	17% (2013)	21.03%	22.36%	23.68%	As above
	32. % of Capital/Provincial Resource Facilities providing all 5 types of CD	0%	100%	100%	100%	
	33. % of leaders completing mandatory annual training in gender mainstreaming	0%	95%	95%	95%	Governors and Council chairpersons for PCs and DMKs
	34. % of all Councilors, BOG and SNA Staff feel their training adequately prepared them to undertake their job functions	N/A	20%	50%	80%	Various surveys
	35. % of CD interventions that are demand driven	N/A	30%	40%	50%	
36. Average number of by-laws passed by DMKs		.5	.75	1		
37. % increase in the number of decisions taken in DMK Council		10%	25%	50%		
Outcome #4: SNAs are enabled to meet citizens'	38. % of the national budget transferred to DMs as a result of functional reassignment (*)		0.5%	1%	3.6%	

Program Narrative/Result	Indicators	Baseline / Year	Target 2015	Target 2016	Target 2017	Data Source, Note, Disaggregation
service delivery expectations and to provide meaningful services at the level of government closest to citizens	39. Number of DMs transferred all the functions, staff and resources from at least 2 large District Line Offices		0	2	5	
	40. Number of DMs transferred all functions, staff and resources from at least 3 small ⁷ District Line Ministry Offices		5	50	185	
	41. Number of Municipalities which have been transferred the functions, staff and resources for urban services ⁸	0	0	3	10	
	42. An independent evaluation concludes service delivery improved when functions were decentralized from central government to SNAs and from provinces to municipalities				YES	
	43. % increase of CS fund expenditures on social services from 2014		50%	150%	300%	
	44. Number of never tried before services produced using CS and DM Funds		2	10	25	
	45. Number of cases of SNAs replicating other SNA success stories		2	10	50	
	46. Value of service delivery partnerships signed by CSs and DMKs with central government, CSOs and the private sector (\$US Millions)	0	0.5	3	9	Expected to be around 10% of DM and CS fund budgets
	47. % of citizens satisfied with the delivery of new, innovative services		50%	50%	50%	
	48. Number of new SNAs providing OWSO services.		6	12	18	
49. % increase in the number of different services provided and number of citizens served per OWSO		5%	10%	15%		
Outcome #5: Financial resources are well planned, well managed, and adequate for DMs to meet their service delivery mandates	50. DM development component as a% of the national revenues	0%	0.5%	0.5%	0.5%	
	51. % of DM revenues raised through own sources	0%	0%	2.5%	10%	
	52. Community contributions to CS and DM projects (\$US Millions)		0.2	0.5	2	
	53. Were delays are encountered in implementing the functional transfer due to the development of conditional grant mechanisms		NO	NO	NO	
	54. Value of projects implemented through the SNIF (\$US Millions)		0	3	3	
	55. Reduction in the number of delays faced by SNAs in the disbursement of funds		10%	25%	50%	
	56. % of PCs and DMKs using new planning systems which have clear corporate plans overseen by councilors	0%	100%	100%	100%	

⁷ Small is an district office having 1-3 staff

⁸ Including refuse collection, sewerage removal and disposal, the management and development of markets and recreational areas, and at least 2 other services.