

**RETA 6237: GREATER MEKONG SUBREGION: PHNOM PENH PLAN FOR
DEVELOPMENT MANAGEMENT PHASE II—
SUPPLEMENTARY GRANT FROM THE REGIONAL COOPERATION AND POVERTY
REDUCTION FUND
MAJOR CHANGE IN SCOPE**

I. INTRODUCTION

1. The Phnom Penh Plan for Development Management (PPP) was first approved¹ in 2002 for \$800,000 and was supported by the New Zealand Agency for International Development (NZAID). Following strong demand from the Greater Mekong Subregion (GMS) countries, a grant of \$800,000, representing the second phase of the PPP, was approved² on 29 March 2005. Although the scope of activities under the new technical assistance (TA) has been expanded, it does not meet current needs and other sources of funding will be needed to finance activities not adequately covered by ADB funding and to expand selected activities. As a result, partnerships with external agencies to secure additional funding have been actively pursued. A total of \$2,273,000 was committed by the Ministry of Foreign Affairs of the Government of France through the Regional Office of Cooperation for Southeast Asian Countries (which committed \$1,923,000) and NZAID (which committed an additional \$350,000).³ In recognition of the relevance of the PPP and the increasing demand for capacity building in the GMS, the People's Republic of China (PRC) has approved the provision of \$500,000 for the TA from the People's Republic of China's Regional Cooperation and Poverty Reduction Fund (RC Fund).

II. BACKGROUND

2. PPP is a pioneering program focused on public policy and development management. Its goal is to improve the efficiency and effectiveness of development management in GMS countries to enhance economic growth and social development. PPP aims to develop a core group of development managers and leaders with the capacity to operate as motivated and competent change agents who will manage the complex and challenging GMS development agenda. It aims to impart knowledge and skills to mid-level and senior GMS civil servants and therefore to improve the design and management of development programs at subregional and national levels.

3. The objectives of PPP are to (i) strengthen technical competence and the managerial and leadership capacity of GMS mid-level and senior officials; (ii) improve management efficiency and effectiveness of national programs and projects; (iii) promote better understanding and awareness of, and cooperative spirit in, the GMS; (iv) reinforce partnerships and strengthen cooperation among GMS countries; (v) provide lifelong learning opportunities for alumni; (vi) develop institutional capacities through twinning arrangements and knowledge sharing and technology transfer between and among capacity-building partners; (vii) promote

¹ ADB. 2002. *Technical Assistance to the Greater Mekong Subregion (GMS) countries for the Phnom Penh Plan for Development Management*. Manila.

² ADB. 2005. *Technical Assistance to the Greater Mekong Subregion (GMS) countries for the Phnom Penh Plan for Development Management II*. Manila.

³ The President's recommendation for approval by the Board, on a no objection basis, for a change in scope and implementation and administration arrangements resulting from this additional financing was obtained on 14 June 2005 and Board consideration is scheduled for 1 August 2005.

GMS-anchored research and intellectual capital development that will assist capacity-building and policy development interventions; and (viii) promote knowledge-sharing activities and encourage access to development information.

III. ASSESSMENT

4. The PPP framework was developed in close consultation with GMS governments and incorporates lessons from the first phase. It is being implemented using tested technical methodologies and in close coordination with properly functioning institutional mechanisms. PPP has delivered 25 demand-based learning programs benefiting over 450 mid-level and senior GMS officials since its inception. A learning resource center (LRC) has been established in the ADB Cambodia Resident Mission to promote GMS awareness and knowledge. A network of capacity-building partners has been created and a GMS research framework has been established in partnership with the GMS Academic and Research Network. A biannual *Journal of GMS Development Studies* has been launched, a website has been established, and the first two issues of a PPP newsletter published. A PPP fellowship program, which sends promising alumni to programs of higher learning at institutions of international repute, has also been launched. A short, high-impact course on leadership and regional cooperation for ministers and senior officials was conducted in December 2004.

5. Although the scope of activities was expanded under the new TA, the demand for capacity building continues to be well beyond the resources of ADB. At the same time, other development agencies are recognizing the potential for regional development through building capacity among a targeted group of public officials. With the growing complexity of knowledge and skills required of civil servants to meet the needs of national and subregional development, PPP remains relevant and the partnerships with other funding agencies will be used to expand its activities.

IV. PROPOSED CHANGES

6. The supplementary funding will not result in a change in the goal and objectives of the TA, but will be used to expand the activities already approved under the TA. These include learning programs, a series of distinguished speakers, development dialogue, and the top development management program. No new activities are planned. No changes will be made to the implementation arrangements. An indicative cost estimate and financing plan is shown in the appendix.

V. PRESIDENT'S DECISION

7. The President approved on 27 July 2005 (i) a change in scope of the TA due to an increase in funding exceeding 15% of original TA cost and resultant expansion of PPP activities, in accordance with the originally approved TA, in view of the supplemental financial support from the RC Fund; (ii) an increase in the TA cost by \$500,000 on account of supplemental funding from the RC Fund; and (iii) administration by ADB of the proposed supplementary grant funds from the RC Fund, and hereby reports this action to the Board.

COST ESTIMATES AND FINANCING PLAN

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Item	ADB ^a	Government of France ^b	NZAI ^c	RC Fund ^d	Total
1. In-depth learning programs (includes tuition fees, board and lodging, and airfare)	370,000	1,488,000	234,000	390,000	2,482,000
2. Short high-impact courses					
a. Fellowship programs	26,000	215,000	30,000		271,000
b. Distinguished speakers series	10,000	120,000		50,000	180,000
c. Top development management program				40,000	40,000
d. Development dialogue				20,000	20,000
3. Steering committee and advisory board meetings	10,000		30,000		40,000
4. Website maintenance and CD-ROM production	2,000				2,000
5. Journal and newsletters (includes editing, publishing, printing, and distributing costs)	20,000		26,000		46,000
6. Learning resource center(s)					
a. Equipment and maintenance	2,000				2,000
b. Acquisition of collections in print and multimedia format	2,000		10,000		12,000
c. Videoconference equipment	5,000				5,000
7. Consultants (PPP Secretariat)					
a. Remuneration					
i. International consultant	160,000				160,000
ii. Domestic consultant	60,000		20,000		80,000
b. International and local travel	40,000				40,000
8. Equipment					
a. Computers and peripherals	3,500				3,500
b. Fax machine, printer, and other consumables	1,500				1,500
9. Miscellaneous TA administrative support	20,000				20,000
10. Research projects (in partnership with the GMSARN)		100,000			100,000
11. Contingencies	68,000				68,000
Total	800,000	1,923,000	350,000	500,000	3,573,000

PPP = Phnom Penh Plan for Development Management, TA = technical assistance, GMSARN= Greater Mekong Subregion Academic and Research Network.

^a Financed by the Asian Development Bank's technical assistance funding program.

^b Cofinancing from the Ministry of Foreign Affairs of the Government of France is for 3 years. An extension of the TA will be requested in 2007 to use the unused balance provided in the grant. However, in the event that the TA will not be extended and will close as scheduled, the unused balance will be refunded to the Government of France.

^c Cofinancing from the New Zealand Aid.

^d Cofinancing from the Regional Cooperation Poverty Reduction Fund.

Source: Asian Development Bank estimates.