



# Technical Assistance Report

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Project Number: 37256  
December 2005

## Technical Assistance Kingdom of Cambodia: Preparing the Second Phase of Support to Local Administration (Financed by the Japan Special Fund)

## CURRENCY EQUIVALENTS

(as of 30 November 2005)

Currency Unit	–	riel (KR)
KR1.00	=	\$.0002427
\$1.00	=	KR4,120.00

## ABBREVIATIONS

ADB	–	Asian Development Bank
CCDP	–	Commune Councils Development Project
CSP	–	Country Strategy and Program
DoLA	–	Department of Local Administration
ICT	–	information and communications technology
IT	–	information technology
MoI	–	Ministry of Interior
PPTA	–	project preparatory technical assistance
SFDD	–	Strategic Framework for Decentralization and Deconcentration
TA	–	technical assistance

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Targeting Classification</b>	–	General intervention
<b>Sector</b>	–	Law, economic management, and public policy
<b>Subsector</b>	–	Subnational government administration
<b>Theme</b>	–	Sustainable economic growth, governance
<b>Subtheme</b>	–	Public governance

## NOTE

In this report, "\$" refers to US dollars.

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## I. INTRODUCTION

1. The long-term institutional reform process of decentralizing and deconcentrating public decision making and service delivery in Cambodia began in 2001 with the passage of supporting legislation for commune councils and sangkats.<sup>1</sup> Since the direct election of local councils in February 2002, the legal framework defining the specific functions of commune councils has undergone some development. This level of public administration is recognized as having an essential role in promoting democratic practices and addressing socioeconomic development challenges. However, the commune councils are largely deficient in essential infrastructure, and are thus seriously hampered in their capacity to positively influence the welfare of local communities. To assist the Government of Cambodia in ensuring adequate facilities and basic equipment for all commune councils in the medium term, the Asian Development Bank (ADB) in December 2002 approved the Commune Councils Development Project (CCDP).<sup>2</sup> Public administration reform and local governance are key areas of ADB support under the Country Strategy and Program (CSP) for Cambodia 2005–2009. In anticipation of the closing date of the CCDP (31 August 2006), the CSP programmed the approval of a project preparatory technical assistance (PPTA) for 2005 to prepare the Second Phase of Support to Local Administration, to be approved in 2006.<sup>3</sup> The ADB fielded a fact-finding mission to Cambodia on 10–14 October 2005 to formulate the PPTA with the Government. Appendix 1 presents the agreed design and monitoring framework.<sup>4</sup>

## II. ISSUES

2. In 2001, the Government of Cambodia prioritized administrative reform at the commune and *sangkat* level as it announced plans to decentralize public administration to provincial authorities and commune councils. That same year, the national assembly passed the Law on Administration and Management of Communes and *Sangkats*, broadly defining the nature, functions, and powers of the then soon-to-be elected commune councils, and a minimal devolution of responsibilities and resources to these bodies. The first elections creating commune councils with decentralized powers have longer-term significance for the country. However limited the powers and capacities of commune councils have been and will be in the next few years, the election of local councils in 2002 was an important first step toward

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<sup>1</sup> The commune (in the case of provinces) or the *sangkat* (in the case of municipalities) is the lowest level of public sector administration. It governs the local affairs of its territory based on the Constitution, laws, royal decrees, subdecrees, proclamations, and relevant norms and standards. Cambodia is divided into 20 provinces and four municipalities. Each province is divided into districts (there are 171), and each district is divided into communes (there are 1,510). Each municipality is divided into *khans* (there are 14), and each *khan* into *sangkats* (there are 111).

<sup>2</sup> The CCDP is mainly designed to provide essential operating facilities and communication and transport equipment to, or to rehabilitate the facilities and equipment of, 440 commune councils and 24 provincial line departments. It is cofinanced with a loan of \$10 million equivalent from ADB (Loan 1953-CAM [SF]; ADB. 2002. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Kingdom of Cambodia for the Commune Council Development Project*. Manila, a grant of \$3 million equivalent from the Swedish International Development Cooperation Agency, and a grant of \$2.4 million equivalent from the Government of the Netherlands. The Government of Cambodia is contributing \$2 million in kind. The project midterm review in November 2004 noted that 239 commune councils had started building their offices and that equipment procurement was “proceeding very well.” In September 2005, through a minor change in scope and the reallocation of loan proceeds, 95 more communes were included in the project.

<sup>3</sup> During the ADB mission to review the CCDP in May 2004, the Department of Local Administration (DoLA) of the Ministry of Interior (MoI) requested ADB to consider a second phase of support for commune council facilities. For this reason, the concept paper for the Project was originally titled “Facilities for Commune Councils – Phase II” in the CSP.

<sup>4</sup> The TA first appeared in *ADB Business Opportunities* (Internet edition) on 28 October 2005.

deepening the understanding of democratic principles, rights, and freedoms. These reforms began a long-term institutional process that, it is hoped, will eventually refocus many aspects of government and public service delivery in Cambodia.

3. The increased involvement of the elected local councils in direct public service delivery can boost local voice and representation in issues such as land-use rights, common property and natural resource use, and efficiency of public services from higher levels of public administration, although the short- to medium-term effectiveness of the local councils will continue to be hampered by deep physical, human, and institutional deficiencies. Besides the intrinsic value of greater participation and social inclusion, increased transparency and accountability for common and public resources can greatly promote property rights and the efficiency of private capital accumulation, reducing vulnerabilities in economic activity.<sup>5</sup> The effectiveness with which support for the commune councils in Cambodia can help reduce poverty and lead to economic development, however, depends on the ongoing decentralization and deconcentration of public administration, which will likewise require substantial and continued technical support.<sup>6</sup>

4. Since the elections, more than 1,600 new rural and urban commune councils (11,261 local councilors<sup>7</sup>) have taken up the medium-term task of establishing and internalizing appropriate legal, administrative, and supervision mechanisms for the very first time. This has been a daunting challenge for Cambodia, as it would be for any other developing economy, in view of the known weaknesses in public sector capacity. The legal framework that defines the specific functions of commune councils has undergone continuous development since 2001. Those functions currently include the planning and implementation of small-scale rural infrastructure, and civil and voter registration. The fundamental functions of planning and priority setting, including commune investment planning and budgeting, must be quickly incorporated and made more transparent, to build the accountability of the commune councils.

5. One relevant outcome of the CCDP has been the adoption of fundamental elements of good governance by commune councils. The procedures for tendering, monitoring, and supervising civil works have been well established under the CCDP, and are being performed by commune councils. An unprecedented opportunity has thus been created for the councils to learn by doing, with suitable monitoring, and to test their capacity to incorporate good practices in such potentially problematic tasks. The establishment in 2001 of a National Committee to Support the Commune Councils (NCSC) was an attempt to provide institutional support for these newly established bodies of public administration.<sup>8</sup> It is not clear whether it was possible to allocate capacity and resources to the NCSC for it to provide the much needed support, or if

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<sup>5</sup> Improving civil liberties, voice, and accountability, together with ensuring a free press, has been found to be beneficial in reducing corruption and the unofficial economy. There is indeed enough evidence pointing to the fact that efficient and transparent local governance, together with civil liberties and the absence of corruption, enables nations to grow and develop faster. The last few years have witnessed an increasing interest in studying the importance of transparency and accountability to reduce corruption. It has been learned that corruption arises from so-called supply-side factors like the existence of economic rents stemming from the lack of accountability in public sectors. Education and awareness campaigns to inform citizens about the negative effects of corruption may help. But successful experiences have worked to protect property rights, get rid of administrative pricing, simplify laws, ensure transparency and strengthen accountability in local public administration, reduce red tape and bureaucracy, and strengthen democratic principles at the grassroots level.

<sup>6</sup> The effectiveness of whatever functions the communes undertake in the process of decentralization will always depend on the deconcentration of supporting functions to the provinces and districts.

<sup>7</sup> The commune councils have between four and eight elected representatives, each with a five-year term.

<sup>8</sup> The NCSC comprises representatives from six ministries and the Council of Ministers. It is chaired by the Mol, whose Department of Local Administration serves as NCSC secretariat.

its work plan was concrete enough. What is clear, however, is the increasingly urgent need for institutional mechanisms in public administration for continuously assessing needs and coordinating donor support activities.

6. In June 2005, the Government of Cambodia approved the Strategic Framework for Decentralization and Deconcentration (SFDD), establishing the objectives and principles of the reforms in public management systems and structures. The aim was to include in the SFDD all policies, legal instruments, and operational procedures of ministries and institutions of the Government regarding the management and distribution of responsibilities and resources to provincial and municipal, district and *khan*, and commune and *sangkat* levels. The Government acknowledges in the SFDD that the current public management system at provincial and municipal level “does not have coherence” and “cannot plan, budget, manage personnel and coordinate the full delivery of services and development”; that at the district and *khan* level, “coordination and management is weak” and there is “lack of consistency in the areas of operation in the delivery of public services of some ministries and institutions”; and that “capacity of the communes/*sangkats* is low, inter-commune/*sangkat* cooperation has not yet been put in place, management systems and structures at provincial/municipal level for provision of support and control legality of local administration has not been strengthened.”

7. At the moment, public administration in Cambodia is a rather centralized system of public service provision that relies on mildly deconcentrated functions for geographic coverage.<sup>9</sup> The coordination and management of these deconcentrated functions of different ministries is expected to be done at the provincial and municipal, as well as the district and *khan*, level by representatives of the Government of Cambodia.<sup>10</sup> Accountability is severely constrained by the different vertical lines of authority and the unavoidable horizontal overlap of duties between ministries. The SFDD aims to divert these lines of authority to the provincial governments and district administrations, and to avoid functional overlap and duplication. This would mean not only devolving decision-making authority over service delivery systems to lower levels of public administration, but also significantly reallocating national budget resources and civil servants across ministries. Organic laws under preparation will implement these major changes by defining the specific functions and resources (human and financial) to be devolved or transferred between levels of public administration and ministries. As expected, this process will be subject to intense interministerial scrutiny until the exact changes are clearly defined.

8. In all cases, local administration is expected to assume a much bigger set of duties, irrespective of the exact split of functions between the national and provincial governments. But stark deficiencies in institutional, physical, and human capacity threaten to jeopardize the continuity and consistency of public service delivery, and the impact on local voice and representation.<sup>11</sup> In view of the current decentralization and deconcentration challenges, the envisioned second phase of support to local public administration in Cambodia must take a holistic approach. Above all, some degree of flexibility during PPTA implementation will be

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<sup>9</sup> Mainly from the national to the provincial and municipal level. Departments or agencies at the provincial and municipal, or district and *khan*, level, whose staff is part of the line ministries, are now in charge of the “deconcentrated” provision of public services, under the command of the national Government in Phnom Penh. The SFDD makes the services the main responsibility of “decentralized government” units (at the provincial and municipal, district and *khan*, and commune and *sangkat* levels).

<sup>10</sup> The provincial or municipal governor, and the district or *khan* administrator.

<sup>11</sup> At this stage most commune councils have only one clerk—a person who works in the office, keeps records, and performs general office duties. Also, commune councils are required to draw up a 5-year commune development plan, a commune annual budget, and a commune investment plan, and have been involved in civil works tendering, monitoring, and supervision, but there are no official commune and district administration manuals and no institutional structure for the production, revision, and maintenance of such manuals.

necessary to (i) take into account the further definition, in 2006, of how the overall decentralization and deconcentration is to progress, and (ii) be responsive to requests from the Government for the conceptualization of the overall process.

9. The PPTA will explore the possibilities and conditions under which the systematic use of information and communications technology by local administration (and by its institutional structures of support) can make public services delivery more efficient and effective and give the public greater access to information.<sup>12</sup> It will propose ways of strengthening the institutional structures of support to local administration that would enhance the effectiveness of current capacity-building initiatives and ensure continuity of benefits.<sup>13</sup> The PPTA will also seek to focus on possible interfaces between commune councils and the district administration, which is less constrained by deficiencies in human capacity. Overall, there is a strong consensus that, while the new councils and district administrators must be housed, communication networks built, and commune boundaries eventually reviewed, much-needed reforms must now be carried out to establish legal, institutional, and human capacities.

### **III. THE TECHNICAL ASSISTANCE**

#### **A. Impact and Outcome**

10. The expected outcome of the PPTA will be the design of the Second Phase of Support to Local Public Administration, to be agreed on by the Government of Cambodia and ADB, and consistent with the overall decentralization and deconcentration of public administration. Its expected ultimate impact is to assist the Government in its efforts to reduce poverty and spur broad-based economic growth by supporting local public administration in (i) managing the democratic development of communities; (ii) being more effective as grass-root mechanisms to strengthen accountability, responsiveness and transparency of public sector administration; and (iii) improving the effectiveness and reach of public service delivery in Cambodia.

#### **B. Methodology and Key Activities**

11. The PPTA will produce technical assessments and recommendations, and engage in all the necessary stakeholder consultation, to enable the design of the Second Phase of Support to Local Administration in Cambodia. To be consistent with the overall process of decentralization and deconcentration of public administration, the designed project will have four main components: additional support for commune council facilities (component A); support for district administration facilities (component B); communications and information technology (IT) support to local public administration (component C); and institutional development and capacity building (component D). The subcomponents are presented in the design and monitoring framework (Appendix 1). Different technical and financial assistance options for the decentralization and deconcentration reforms will be explored. Evaluations or perceived results

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<sup>12</sup> The effective use of information technology (IT) in local administration is likely to be constrained by physical deficiencies that will take time to be eliminated (although some forms of public service provision, like registration of births, deaths, residence, and migration, can already be much enhanced with the use of IT). However, the use of IT and institutional mechanisms in providing relevant and correct information at the local level is thought to have significant potential for increasing government accountability, minimizing the informal costs to citizens in dealing with public bureaucracy, and maximizing the impact of public services (see Appendix 3).

<sup>13</sup> Current capacity-building initiatives of the Government of Cambodia and different donors do not necessarily coordinate, seek consistency, evaluate and share results, use common training materials, use existing education structures for public administration, or adjust training materials to suit the functions of specific levels of public administration.

of the CCDP will inform the design. Workshops at various levels of public administration and with different stakeholders will be held to strengthen cooperation, agreement, and ownership of the ensuing project.

### **C. Cost and Financing**

12. The total cost of the PPTA is estimated at \$475,000 equivalent—\$392,000 in foreign exchange costs and \$83,000 equivalent in local currency costs. The Government of Cambodia has requested ADB to finance \$400,000 equivalent, which covers the entire foreign currency costs and \$8,000 equivalent in local currency costs. This will be financed on a grant basis by the Japan Special Fund, funded by the Government of Japan. The Government of Cambodia will finance the remaining \$75,000 equivalent in local currency costs, by providing counterpart staff, office space, and other requirements. The Government of Cambodia has been informed that approval of the PPTA does not commit ADB to finance any ensuing project.

### **D. Implementation Arrangements**

13. The Ministry of Interior is the Executing Agency (EA). Implementing agencies will be commune councils and district administrations throughout the country. The results of the CCDP (the previous project) will inform the design of the Second Phase of Support to Local Public Administration, and will also be disseminated throughout the country. The TA will be undertaken over 8 months, and is expected to begin in February 2006 and to be completed in October 2006. About 22 person-months of consulting services (12 international and 10 domestic) will be required. The international team will comprise the following experts: (i) international local administration facilities specialist, (ii) international ICT specialist, (iii) international institutional development and capacity-building specialist, and (iv) international public financial management specialist. Four domestic consultants will support the international consultants.<sup>14</sup> All consultants will be hired individually according to ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the hiring of domestic consultants. The outline terms of reference for the various consultants are in Appendix 4. The reporting requirements for each subcomponent are presented in the design and monitoring framework (Appendix 1). Procurement under the TA will be according to ADB's guidelines for procurement.

## **IV. THE PRESIDENT'S DECISION**

14. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$400,000 on a grant basis to the Government of Cambodia for preparing the Second Phase of Support to Local Administration in Cambodia, and hereby reports this action to the Board.

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<sup>14</sup> Besides these international and domestic experts, and contingent on other specific sources of funding being secured for the preparation of a Gender strategic framework, two consultants (one international for 1.5 person-months and one domestic for 1.5 person-months) will be hired. Tentative terms of reference for these experts have been included in Appendix 4.

## DESIGN AND MONITORING FRAMEWORK

<b>Design Summary</b>	<b>Performance Targets/Indicators</b>	<b>Data Sources/Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
<p><b>Impact</b></p> <p>Improved governance and capacity of local public administration to (i) manage the democratic development of communities; (ii) be more effective as grass-root mechanisms to strengthen accountability, responsiveness and transparency of public sector administration; and (iii) improve the effectiveness and reach of public service delivery in Cambodia.</p>	<p>(i) More transparent, accountable, efficient, and effective delivery of public services at the national and local levels; (ii) clearer and more consistent regulations for functional assignments, local administration performance, and financial planning, management, and reporting.</p>	<p>Project progress reports</p> <p>ADB and Government's project completion report</p> <p>Government information and statistics</p> <p>General public opinion assessments and technical surveys</p>	<p><b>Assumption</b></p> <ul style="list-style-type: none"> <li>• Effective implementation of the ensuing project</li> </ul>
<p><b>Outcome</b></p> <p>Preparation of the Second Phase of Support to Local Public Administration lending project, in coordination with the overall process of decentralization and de-concentration of public administration.</p>	<p>Memorandum of Understanding signed in Appraisal Mission by the Government of Cambodia and ADB</p>	<p>Memorandum of understanding</p> <p>Review missions</p> <p>Technical assistance (TA) reports</p> <p>Government's papers, records, and press releases</p>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Government's strong commitment to decentralization and de-concentration reforms</li> <li>• Effective stakeholder participation and ownership</li> </ul> <p><b>Risk</b></p> <ul style="list-style-type: none"> <li>• Decentralization and deconcentration reforms slowed by interministerial dialogue</li> </ul>
<p><b>Outputs</b></p> <p>Technical assessments and proposals, as well as substantial policy dialogue with all stakeholders, along the four main components: additional support for commune council facilities (component A); support for district administration facilities (component B); communications and IT support to local public administration (component C); and institutional development and capacity-building (component D)</p> <p>Project design requirements accomplished</p>	<p>Inception report (week 4)</p> <p>First interim report (week 12)</p> <p>Second interim report (week 20)</p> <p>Draft final report (week 28)</p> <p>Final report (week 32)</p>	<p>Review missions</p> <p>TA reports</p> <p>ADB project processing documentation</p>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Unrestricted access to geographic sites</li> <li>• Unrestricted access to timely information or government staff (national or local)</li> <li>• Unrestricted policy dialogue with all stakeholders</li> </ul>

<b>Activities with Milestones</b>	<b>Inputs</b>
<p>Component A - Additional Support for Commune Council Facilities:</p> <p>A.1 – Assess, in consultation with Mol, the need to revise the criteria for prioritizing further support for commune facilities (week 12);</p> <p>A.2 - Modify the architectural design and specifications of office models and implementation arrangements used during the CCDP, taking into account the requirements of building commune facilities in more remote or more densely populated areas of Cambodia (week 20);</p> <p>A.3 – Revise cost estimates according to A.2 above, and produce different scenarios for the different possible criteria for commune prioritization (week 20); and</p> <p>A.4 – Select, in consultation with Mol, the number of eligible communes (rural and semirural only) and project a program of further support for commune council facilities (week 28).</p> <p>Component B – Support for District Administration Facilities:</p> <p>B.1 – Assess, in consultation with Mol, the overall state of district administration facilities (week 12);</p> <p>B.2 – Assess possibilities for assistance for facilities that directly support district administration functions related to (i) existing public service delivery systems at the commune council level (e.g., civil registration), or (ii) possible forms of non-resource-intensive public service delivery (e.g., provision of information on business licensing requirements) (week 20);</p> <p>B.3 – Under the guidance of ADB and consistent with the objectives of the PPTA, support Mol in approaching potential cofinanciers for support for district administration facilities (week 20); and</p> <p>B.4 – Submit a recommended road map for a program of support for district administration facilities that will enable ADB and Mol to pursue potential cofinancing (week 28).</p> <p>Component C – Communications and IT Support to Local Administration:</p> <p>C.1 – Assess, in consultation with Mol, the potential effectiveness of acquiring more communication and transportation equipment, in light of the CCDP experience in acquiring radios, typewriters, and motorbikes for commune councils (week 12);</p> <p>C.2 – Assess, in consultation with Mol, the need for and possibility of IT-related assistance to commune councils and district administrations for (i) existing public service delivery systems (e.g., civil registration), and (ii) forms of non-resource-intensive public service delivery (e.g., provision of information on business licensing requirements) (week 20);</p> <p>C.3 – In accordance with C.2 above, prepare cost estimates and different scenarios of support (week 20); and</p> <p>C.4 - In consultation with Mol, design the program of communications and IT support to local administration (week 28).</p> <p>Component D – Institutional Development and Capacity Building:</p> <p>D.1 – In consultation with Mol, (i) clarify the functions and concrete tasks of commune councilors and clerks in public service delivery and in financial planning, management, and reporting; (ii) assess the operational effectiveness of ongoing capacity-building and training initiatives for commune councils and district administrations, in relation to their functions and concrete tasks; and (iii) recommend the design, overall approach, methodology, scope, content, and targeted audience of future capacity-building and training activities (week 12);</p> <p>D.2 – Submit recommendations and technical inputs to the Mol to strengthen the procedural transparency and effectiveness of financial planning, management, and reporting of commune councils and district administrations, in connection with D.1 above (week 20);</p> <p>D.3 – Assist in the creation of an institutional structure of support within the public sector system for commune councils (e.g., clerks) and district administrations, that can (i) house or pool a critical level of human capacity to keep providing technical assistance to commune councils (in connection with D.1 and D.2 above), (ii) constitute a stable institutional recipient of donor assistance activities (hence, a sort of cross-donor institutional memory), and (iii) participate in analytical work on lessons learned,</p>	<ul style="list-style-type: none"> <li>• ADB: \$400,000 equivalent</li> <li>• Government: \$75,000 equivalent through the provision of counterpart staff, office space, and other requirements</li> <li>• Stakeholder participation in surveys</li> </ul>

conclusions from pilot experiences, dissemination activities, etc. (week 20); and D.4 – Design, in consultation with Mol, a new program of communications and IT support to local administration (week 28).	
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ADB = Asian Development Bank, CCDP = Commune Councils Development Project, Mol = Ministry of Interior, PPTA = project preparatory technical assistance, TA = technical assistance.

## INITIAL POVERTY AND SOCIAL ANALYSIS

### A. Linkages to the Country Poverty Analysis

<b>Is the sector identified as a national priority in country poverty analysis?</b>	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No	<b>Is the sector identified as a national priority in country poverty partnership agreement?</b>	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No
<p><b>Contribution of the sector or subsector to reduce poverty in the Kingdom of Cambodia:</b></p> <p>By supporting local public administration reforms in Cambodia in a way that is integrated with the ongoing long-term decentralization and deconcentration of public administration, both the PPTA and the ensuing Second Phase of Support to Local Administration will make a direct contribution to meeting the difficult challenge of refocusing many aspects of government and public service delivery in Cambodia, and giving an increasingly larger role to local public administration in Cambodia (commune councils and district administrations). Local public administration is seen to have an essential role in promoting democratic practices and meeting the socioeconomic development challenges of the country. It can increase local voice and representation in issues such as land-use rights, common property and natural resources use, and the efficiency of public services. Increased transparency and accountability for common and public resources can greatly promote property rights and the efficiency of private capital accumulation, reducing vulnerabilities in economic activity.</p>			

### B. Poverty Analysis

#### Targeting Classification: General intervention

<p><b>What type of poverty analysis is needed?</b></p> <p>The national growth and poverty eradication strategy of the Government of Cambodia puts a strong emphasis on decentralization, as well as governance and institutional capacity, reforms. ADB, which has been actively involved in the formulation of this strategy, similarly assigns a key role to public administration reform and local governance in ADB support under the current CSP. The potential impact of the TA on local governance and capacity for public service delivery is deemed to be significantly positive. No adverse impact requiring mitigating measures was identified.</p>
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### C. Participation Process

<p><b>Is there a stakeholder analysis?</b>      <input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No</p> <p>No formal stakeholder analysis is required.</p>
<p><b>Is there a participation strategy?</b>      <input checked="" type="checkbox"/> Yes      <input type="checkbox"/> No</p> <p>A plan for enhancing consultation initiatives, support, and ownership throughout the TA will be formulated and implemented. Also, the design of the ensuing project (Second Phase of Support to Local Administration) shall include mechanisms and routines that will allow stakeholders to benefit from systematic participation.</p>

### D. Gender Development

<p><b>Strategy to maximize impacts on women:</b></p> <p>The design of the TA will be aimed at supporting crucial long-term institutional reforms in Cambodia that will, in time, refocus many aspects of government and public service delivery in Cambodia. Accordingly, the TA will seek to identify gender concerns and contribute to reducing discrimination. The project will build on the achievements of the CCDP and benefit from the recently prepared gender assessment (the output referred to below).</p>
<p><b>Has an output been prepared?</b>      <input checked="" type="checkbox"/> Yes      <input type="checkbox"/> No</p>

**E. Social Safeguards and Other Social Risks**

Item	Significant/ Not Significant/ None	Strategy to Address Issues	Plan Required
<b>Resettlement</b>	<input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None	<p>The TA is not expected to result in any land acquisition or resettlement.</p> <p>In the implementation of the CCDP (first project), new and refurbished commune council facilities must be on unoccupied land owned by commune and <i>sangkat</i> councils (either through legal title or unofficially). This requirement was checked and validated during initial site visits by architect engineers of the project technical cell of the Department of Local Administration. In this second phase of support, local administration infrastructure support (under components A and B) will likewise involve screening for land acquisition or resettlement impact. Furthermore, land acquisition or resettlement impact is not expected to be among the eligibility criteria for local administration units (commune councils and district administrations) for the ensuing project.</p>	<input type="checkbox"/> Full <input type="checkbox"/> Short <input checked="" type="checkbox"/> None
<b>Affordability</b>	<input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Labor</b>	<input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Indigenous Peoples</b>	<input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None	<p>No formal strategy for addressing issues related to indigenous peoples is expected to be required. However, if any issues pertaining to indigenous peoples should arise during implementation, the TA will address these after seeking consensus with the Government and other stakeholders.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Other Risks and/or Vulnerabilities</b>	<input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None	<p>None is expected. However, relevant outcomes and issues will be closely monitored throughout the TA implementation, to ensure that the poor and the vulnerable are not adversely affected.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
<b>A. Asian Development Bank Financing<sup>a</sup></b>			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	245.0	0.0	245.0
ii. Domestic Consultants	15.0	0.0	15.0
b. International and Local Travel	42.0	2.0	44.0
c. Reports and Communications	4.0	1.0	5.0
2. Equipment <sup>b</sup>	17.0	0.0	17.0
3. Training, Seminars, and Conferences <sup>c</sup>	18.0	2.0	20.0
a. Facilitators			
b. Training Program			
4. Surveys	3.0	0.0	3.0
5. Miscellaneous Administration and Support Costs	8.0	3.0	11.0
6. Contingencies	40.0	0.0	40.0
<b>Subtotal (A)</b>	<b>392.0</b>	<b>8.0</b>	<b>400.0</b>
<b>B. Government Financing</b>			
1. Office Accommodation and Transport	0.0	50.0	50.0
2. Remuneration and Per Diem of Counterpart Staff	0.0	10.0	10.0
3. Others	0.0	15.0	15.0
<b>Subtotal (B)</b>	<b>0.0</b>	<b>75.0</b>	<b>75.0</b>
<b>Total</b>	<b>392.0</b>	<b>83.0</b>	<b>475.0</b>

<sup>a</sup> Financed by the Japan Special Fund, which is funded by the Government of Japan.

<sup>b</sup> Nine computers and peripherals, six telephones and fax machines, and two photocopiers.

<sup>c</sup> Dissemination workshops and technical seminars.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

### A. International Consultants

1. Three international resource specialists will be recruited. The terms of reference are presented here in outline and require a degree of flexibility on the part of the experts in realigning their tasks to meet emerging needs over the implementation of the TA. As the TA will run in parallel with the finalization of the Commune Council Development Project, all the TA experts will welcome inputs from the experts involved in that project. The experts are expected to be or become familiar with recent and continuing work in the capacity building of local administrations (Cambodia and international experience) and lessons learned from it. In view of the considerable ongoing work by other donor agencies, close coordination with them will be essential. Interaction is also necessary with concerned staff of local and national government agencies and training institutes. The international experts are expected to bring the best international and regional practices to bear in developing the project. The team members will need to closely interact with each other in view of the complementarities in subject areas, and to interchange as a team. Specific work will be divided according to field of expertise. Such concrete division of labor shall be proposed in the inception report, for ADB approval. The team leader will coordinate the team's inputs and reporting activities, and be responsible for overall TA management, implementation, and timely delivery of outputs, as defined for each component. The reporting requirements for each subcomponent are presented in the design and monitoring framework (Appendix 1), which shall also be used as the indicative sequence of activities.

#### 1. International Local Administration Facilities Specialist/Team Leader (4.5 person-months)

3. The international local administration facilities specialist/team leader must have: (i) a proven track record in team leadership; (ii) a sound understanding of Cambodia; (iii) a sound understanding of decentralization, and the role and mandate of elected local administration units; and (iv) experience in assessing the facilities needed for general public service delivery at the local level. The local administration facilities specialist/team leader will preferably be a qualified architect or civil engineer, and will be responsible for implementing both component A and component B of the TA, as follows:

- (i) **Component A** - Additional Support for Commune Council Facilities: A.1 – Assess, in consultation with Mol, the need to revise criteria for prioritizing further support for commune facilities; A.2 - Modify the architectural design and specifications of office models and implementation arrangements used during the CCDP, taking into account the requirements of building commune facilities in more remote or more densely populated areas of Cambodia; A.3 – Revise the cost estimates in accordance with A.2 above, and prepare different scenarios for the different possible criteria for commune prioritization; A.4 – Select, in consultation with Mol, the number of eligible communes (rural and semirural only) and project a program of further support for commune council facilities;
- (ii) **Component B** – Support for District Administration Facilities: B.1 – Assess, in consultation with Mol, the overall state of district administration facilities; B.2 – Assess the possibilities for assistance for facilities that directly support district administration functions related to (i) existing of public service delivery systems at the commune council level (e.g., civil registration), or to (ii) possible forms of non-resource-intensive public service delivery (e.g., provision of information on

business licensing requirements); B.3 – Under the guidance of ADB and consistent with the objectives of the PPTA, support Mol in approaching potential cofinanciers for support for district administration facilities; B.4 – Submit a recommended road map for a program of support for district administration facilities to enable ADB and Mol to pursue potential cofinancing.

5. The team leader, in coordination with the rest of the consultants, will be responsible for implementing the overall process and sequence of activities defined in the design and monitoring framework for this TA (Appendix 1). The team leader will also be responsible for overseeing that all the outputs conform to (i) ADB policy and strategy requirements regarding resettlement, gender, indigenous peoples, and stakeholder participation; and (ii) any changes that may be called for in the initial poverty and social analysis (Appendix 2).

## 2. International ICT Specialist (3 person-months)

6. The international ICT specialist must have significant experience in (i) assessing IT needs and solutions for financial management information systems development in public administration; (ii) conceptualizing IT systems for information dissemination as a public service; and (iii) formulating development plans, functional and technical specifications, and tender and procurement documents for medium- to larger-scale IT projects, and the technical evaluation of IT tender bids. It is highly desirable that the expert have experience with public financial management and reporting systems. The international ICT specialist, in coordination with the rest of the team, will be responsible for the direct implementation of the sequence of activities defined in the design and monitoring framework for this TA (Appendix 1) in relation to component C, as follows:

- (i) **Component C – Communications and IT Support to Local Administration:** C.1 – Assess, in consultation with Mol, the potential effectiveness of acquiring more communication and transportation equipment, in light of the CCDP experience in acquiring radios, typewriters, and motorbikes for commune councils; C.2 – Assess, in consultation with Mol, the need for and possibility of IT-related assistance to commune councils and district administrations in (i) existing public service delivery systems (e.g., civil registration), and (ii) forms of non-resource-intensive public services delivery (e.g., provision of information on licensing requirements);<sup>1</sup> C.3 – In accordance with C.2 above, prepare cost estimates and different scenarios of support; C.4 - In consultation with Mol, design a program of communications and IT support to local administration.

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<sup>1</sup> The introduction of mechanisms to provide citizens and businesses with correct information about public service delivery and access must be explored (e.g., health [disease prevention] and education information, local government news including policies and regulations, geographic information including accessibility to roads and hospitals, farming-related information like availability of inputs, information on vocational training, electoral rules, names of registered voters, mechanisms for communicating with elected political leaders [local, provincial, and national assembly members], correct information on fees imposed by national laws and regulations). The possibility of establishing information kiosks and communication centers throughout local administration units must also be assessed and conceptualized in terms of their potential for serving as one-stop gateways to IT-enhanced national government agencies. For citizens, businesses, and officials from lower levels of public administration to fully reap the benefits of these innovative approaches to public service delivery, the PPTA must also explore ways of establishing, between ministries, IT systems to enhance cooperation in providing intergovernmental services and sharing information and data about “clients.”

### 3. **International Institutional Development and Capacity-Building Specialist** (3 person-months)

8. The international institutional development and capacity-building specialist will be familiar with decentralized public planning and public service delivery at subnational levels in a developing country. The expert should have a good understanding of the legal and regulatory framework of public administration in Cambodia, and will have sound practical experience in public sector management development, training, and decentralization in developing countries. The expert should also have extensive experience in public administration reform, institutional development, and the development of local governance systems for developing countries comparable with Cambodia, including the development of the legal and administrative framework for local administration structures, systems, functions, and operations (budgeting, financial transfers, reporting, and accountability). Experience in comparative systems of local governance is desirable.

9. The international institutional development and capacity-building specialist, in coordination with the rest of the team, will be responsible for the direct implementation of the sequence of activities defined in the design and monitoring framework for this TA (Appendix 1) in relation to component D, as follows: **Component D – Institutional Development and Capacity Building**: D.1 – In consultation with Mol, (i) clarify the functions and concrete tasks of commune councilors and clerks, both in public service delivery and in financial planning, management, and reporting; (ii) assess the operational effectiveness of ongoing capacity-building and training initiatives for commune councils and district administrations, in relation to their functions and concrete tasks; and (iii) submit recommendations for the design, overall approach, methodology, scope, content, and targeted audience of future capacity-building and training activities; D.2 – Submit recommendations and technical inputs to Mol to strengthen the procedural transparency and effectiveness of the financial planning, management, and reporting of commune councils and district administrations, in connection with D.1 above; D.3 – Assist in the creation of an institutional structure of support within the public sector system for commune councils (e.g., clerks) and district administrations, that can (i) house or pool a critical level of human capacity to keep providing technical assistance to commune councils (in connection with D.1 and D.2 above), (ii) constitute a stable institutional recipient of donor assistance activities (hence, a sort of cross-donor institutional memory), and (iii) participate in analytical work on lessons learned, conclusions from pilot experiences, dissemination activities, etc; D.4 – Design, in consultation with Mol, a new capacity-building program of communications and IT support to local administration.

### 4. **International Public Financial Management Specialist** (1.5 person-months)

10. The international public financial management specialist will have had significant experience in (i) assessing the financial management processes of decentralized public administration systems, (ii) giving policy advice on public financial management reforms, and (iii) implementing best practices in financial management and reporting in local public administration. This specialist will closely coordinate outputs (for content, consistency, and reporting purposes) with the rest of the team, in particular with the international institutional development and capacity-building specialist regarding component D – Institutional Development and Capacity Building.

11. In accordance with the ADB's guidelines for financial governance and management of investment projects, and with support from a domestic public financial management specialist (see corresponding TOR below), the international public financial management specialist will (i)

conduct a financial management assessment of the project implementing agencies, such as commune councils and district administrations, identifying specific risks and weaknesses, as well as institutional structures, bodies, and capacities that might need to be addressed in future project design (to be conducted using the ADB financial management assessment questionnaire); (ii) review the financial management structure and systems that would result from decentralization at the local government or commune and district levels, and the implications in terms of authorities, responsibilities, capacities, reporting, and resources; (iii) identify weaknesses and priorities to be addressed to strengthen institutional structures and financial management at all levels and identify what needs to be addressed; (iv) review the flow of funds from the national to local administration units and suggest improvements to improve local government performance and reduce problems and inefficiencies; and (v) prepare recommendations and, accordingly, an implementation plan to improve internal and external control procedures, and to enhance transparency and accountability in the use of funds.

## **B. Domestic Consultants**

12. Three domestic consultants, for a total of 10 person-months, will be required to assist the international consultants and the Executing Agency in undertaking the several components outlined in these terms of reference. Besides providing technical inputs related to their specialization, the domestic consultants may be required to provide logistical support, act as resource persons for training, and translate outputs or other relevant documents.

### **1. Domestic Local Administration Facilities Specialist/Deputy Team Leader (4.5 person-months)**

13. This domestic consultant, preferably a qualified architect or civil engineer, will support the team leader in (i) coordinating the team's inputs and reporting activities, (iii) undertaking overall TA management and implementation, and (iii) implementing both component A and component B of the TA.

### **2. Domestic ICT Specialist (2 person-months)**

14. This domestic consultant will support the international ICT specialist in implementing component C of the TA.

### **3. Domestic Legal and Capacity Building Specialist (2 person-months)**

15. This domestic consultant will support the international institutional development and capacity-building specialist in implementing component D of the TA.

### **4. Domestic Public Financial Management Specialist (1.5 person-months)**

16. This domestic consultant will support the international public financial management specialist in (i) conducting a financial management assessment of the project implementing agencies, such as commune councils and district administrations, identifying specific risks and weaknesses as well as institutional structures, bodies, and capacities that might need to be addressed in future project design (to be conducted using ADB's financial management assessment questionnaire); (ii) reviewing the financial management structure and systems that would result from decentralization at the local government or commune and district levels, and the implications in terms of authorities, responsibilities, capacities, reporting, and resources;

(iii) identifying weaknesses and priorities to be addressed to strengthen institutional structures and financial management at all levels, and identifying what needs to be addressed; (iv) reviewing the flow of funds from the national to local administration units, and suggesting improvements in the mechanism to improve local government performance and reduce problems and inefficiencies; and (v) preparing recommendations and, accordingly, an implementation plan to improve internal and external control procedures, and to enhance transparency and accountability in the use of funds.

**C. Experts for the Production of a Gender Strategic Framework (to be hired in case specific external funding is secured)**

**1. International Gender Mainstreaming Specialist (1.5 person-months)**

17. This international expert will closely coordinate outputs (for content, consistency, and reporting purposes) with the rest of the team. The expert will identify gender concerns and discriminatory practices along all components of the PPTA, and support the team in addressing these by recommending (i) courses of action, (ii) adjustments and changes in PPTA outputs and in the specific design of the ensuing project, and (iii) adjustments in the legal and regulatory framework in the form of policy recommendations (e.g., public administration regulations, local administration civil service). All components of the PPTA shall require inputs from the international gender mainstreaming specialist. In particular, this expert is expected to work closely with the international institutional development and capacity-building specialist in all activities under component D – Institutional Development and Capacity Building. On the basis of the findings, the expert is expected to develop a comprehensive gender strategy that addresses gender issues in each component of the project design.

**2. Domestic Gender Mainstreaming Specialist (1.5 person-months)**

18. This domestic consultant will support the international gender mainstreaming specialist in fulfilling that consultant's tasks.