



Technical Assistance Report

Project Number: 42356
Capacity Development Technical Assistance (CDTA)
January 2009

Kingdom of Cambodia: Capacity Development for National Economic Policy Analysis and Development Management, Phase III (Cofinanced by the People's Republic of China Regional Cooperation and Poverty Reduction Fund)

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 12 December 2008)

Currency Unit	–	riel (KR)
KR1.00	=	\$0.0002
\$1.00	=	KR 4,042

ABBREVIATIONS

ACMECS	–	Ayeyawady–Chao Phraya–Mekong Economic Cooperation Strategy
ADB	–	Asian Development Bank
ASEAN	–	Association of Southeast Asian Nations
CDC	–	Council for the Development of Cambodia
CSP	–	Country Strategy and Program
GMS	–	Greater Mekong Subregion
IDP	–	Institutional Development Plan
MEF	–	Ministry of Economy and Finance
NSDP	–	National Strategic Development Plan
PPP	–	Phnom Penh Plan for Development Management Program
PPTP	–	Public Policy Training Program
RS2	–	Rectangular Strategy for Growth, Employment, Equity, and Efficiency, Phase II
SNEC	–	Supreme National Economic Council
TA	–	Technical Assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Capacity development technical assistance (CDTA)
Targeting Classification	–	General intervention
Sector	–	Law, economic management, and public policy
Subsectors	–	Economic management, public finance and expenditure management
Themes	–	Sustainable economic growth, capacity development
Subthemes	–	Promoting macroeconomic stability, institutional development

NOTE

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

Vice-President	C.L. Greenwood, Operations 2
Director General	A. Thapan, Southeast Asia Department (SERD)
Director	A. Goswami, Cambodia Resident Mission (CARM), SERD
Team leader	E. Sidgwick, Senior Country Economist, CARM, SERD
Team member	C. Ouch, Program Officer (Governance), CARM, SERD

I. INTRODUCTION

1. The Supreme National Economic Council (SNEC) is the highest-level body mandated to provide the Prime Minister of Cambodia with technical analysis, advice, and recommendations regarding policies and strategies for the nation's rapid, sustainable socioeconomic development. The SNEC was established by sub-decree on 28 December 2002, and its management structure comprises senior government officials from the Ministry of Economy and Finance (MEF), the Council for the Development of Cambodia (CDC), and the Rural Development Bank. The SNEC acts as a filter for and de facto coordinator of economic research and policy between the Prime Minister's office and the various government line ministries and agencies, including in the elaboration of national and sector strategies.¹ Following the successful implementation of two previous phases of Asian Development Bank (ADB) technical assistance (TA) for institutional support to SNEC,² the Government requested that ADB provide a third phase to further strengthen the institutional capacity of SNEC for national policy analysis and development management.³ A fact-finding mission (13–15 August 2008) reached an understanding with the Government on the impact, outcome, outputs, implementation arrangements, cost, financial arrangements, and consulting services for the TA. A design and monitoring framework is provided in Appendix 1.

II. ISSUES

2. Although Cambodia has made significant progress over the last decade in rebuilding its physical and social infrastructure and institutions, following the cessation of hostilities inside the country, and is successfully emerging from its post-conflict situation, the development agenda remains daunting. Economic growth in recent years has been high, averaging just over 11% per year between 2004 and 2007. Although poverty has declined, it remains unacceptably high, with about one third of the population living below the poverty line in 2007, including about 40% in rural areas. The recent increase in food and oil prices is likely to have increased the number of people living below the poverty line. The Government recognizes this key development challenge, and recently announced an updated Rectangular Strategy for Growth, Employment, Equity, and Efficiency, Phase II (RS2), which was prepared by SNEC. The Government is also about to complete a midterm review of the National Strategic Development Plan (NSDP), 2006–2010, which was also assessed by SNEC, and has vowed to place renewed emphasis on pro-poor agricultural and rural development, in addition to extending reforms in the areas of governance, private sector development and employment generation, rehabilitation of physical infrastructure, and capacity building and human resource development. ADB's midterm review

¹ While the SNEC is not directly institutionally represented at the Council of Ministers, it is one of four supreme councils that have been established with specific mandates and policy responsibilities that cut across different line ministries and agencies. Others include the Council for Agricultural and Rural Development, the Council for Administrative Reform, and the Supreme Council of the Magistrature. The senior council management of SNEC comprises an honorary president (minister of economy and finance, with the rank of deputy Prime Minister), an honorary advisor (currently Cambodia's ambassador to the World Trade Organization and a former country director of ADB Cambodia Resident Mission, a chairperson (secretary of state, MEF), two vice-chairs, of which one is permanent, a secretary general, and two permanent deputy secretary generals. The remaining secretariat staff comprises 40 researchers in three units (economic policy, social policy, and governance), five administrative support staff, and five fellows and associates.

² ADB. 2004. *Technical Assistance Completion Report for Institutional Support for National Economic Policy Management in Cambodia*. Manila (TA 3721-CAM); ADB. 2005. *Technical Assistance to the Kingdom of Cambodia for Capacity Building for National Economic Policy Analysis and Development Management*. Manila (TA 4600). The closing date of the latter was extended three times; from 30 May to 31 December 2007, then to 30 April 2008 (including a minor change in scope), and finally, to 31 May 2008. The TA completion report is being prepared.

³ The TA first appeared in the business opportunities section of ADB's website on 30 September 2008.

of the country strategy and program (CSP), conducted in mid-2007,⁴ is aligned with the Government's reform program, including the renewed emphasis on agricultural and rural development. How successful the Government is in meeting this key development challenge will depend in large part on further improving the capacity of Government to effectively formulate, coordinate, implement, and monitor key strategies, policies, and legislation to enhance the depth, coverage, speed, and sustainability of the reform program. As the Prime Minister's economic and social policy think tank and provider of objective and rigorous policy advice at the national and subregional levels, the SNEC is central to the formulation, coordination, and monitoring of this process.

3. The first and second phases of the TA were aimed at accelerating and improving the quality and sustainability of the economic reform process in Cambodia by helping to improve the Government's capacity, through the SNEC, to formulate and monitor the implementation of national economic policies, including with respect to regional integration.⁵ The recent adoption of RS2 provides a framework for the Government's socioeconomic policies and programs, including those related to regional integration.

4. With respect to the regional dimension of the Government's national reform agenda, the second phase TA also supported the preparation of policy documents and statements⁶ for high-level official meetings and summits, including those related to the Association of Southeast Asian Nations (ASEAN), the Greater Mekong Subregion (GMS), and Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS); and high-level conferences, including the Davos Forum and the Cambodia Economic Forum.

5. Support provided under the first two phases of ADB TA have (i) helped establish solid foundations for the SNEC to carry out strategic and policy analysis; (ii) been instrumental in the development of core expertise in SNEC in some key areas of macroeconomic and sector analysis; (iii) contributed to improving the analytical and writing ability of a core team of SNEC staff; and (iv) helped disseminate the studies to the wider public by financing the publication of some key reports. The proposed third phase of TA support to the SNEC seeks to build on this more general capacity building by providing targeted assistance that helps SNEC demonstrate its operational effectiveness. Specifically, the third phase would support the preparation of high-quality and priority analyses and studies as necessary inputs into revised or new economic and social development policies that are being prepared for consideration by the Government. In

⁴ ADB. 2007. *Midterm Review of the Country Strategy and Program: Cambodia (2005–2009)*. Manila.

⁵ The first phase of the TA provided quality, timely inputs to the Prime Minister on a diverse range of issues on a needs basis. The second phase of TA supported a more defined policy agenda, including: (i) studies of macroeconomic developments, including a fiscal revenue policy review and an analysis of the determinants of the recent spike in inflation; (ii) an agriculture sector review covering crops, fisheries, and forestry; (iii) an infrastructure review, covering energy, roads, and irrigation; and (iv) a fiscal analysis of the budget, the public investment program and the medium-term expenditure framework. Given the Government's emphasis on rural development for sustainable growth and poverty reduction, the TA also supported the preparation of a study on enhancing rural incomes. Finally, the TA also provided advisory support to the review of the implementation of the original Rectangular Strategy for Growth, Employment, Equity, and Efficiency 2003–2008; although now revised, the strategy remains the cornerstone of the Government's socioeconomic development strategy and the basis for the NSDP 2006–2010.

⁶ Many of the Phase II-supported analytical studies conducted by SNEC have already been translated into specific government policies. For example, (i) the study on the medium-term expenditure framework provided a critical input into the Government's public financial management reform program in MEF, which is now being rolled out to line ministries; (ii) the fiscal policy review, which analyses the country's tax structure and revenue administration, incorporates specific recommendations to improve revenue policy, including with respect to the oil and gas sector; and (iii) the analysis of the determinants of the recent spike in inflation provided the analytical basis for a series of government policies to counteract rising inflationary pressures.

particular, the proposed TA would provide important inputs for shaping the Government's policy approach in the areas of (i) macroeconomics, including fiscal and monetary policies, agricultural and rural development, trade and investment, the labor market, land and real estate, competitiveness, and oil and gas; and (ii) several areas related to regional economic integration, including the GMS issues of cross-border transport, trade and logistics, power sharing, telecommunication, agricultural trade, tourism, and labor migration, so as to ensure more integrated linkages between local, national, and subregional policies and programs.

6. The Government attaches a high priority to strengthening the SNEC and is committed to developing it into a first-rate provider of objective economic and social policy advice, and the increased maturity and sustainability of SNEC is already evident. SNEC recently strengthened its operational management, including through the appointment of a permanent vice chairperson and two permanent deputy secretary generals. As a testament to its increasing ability to coordinate policy formulation across government ministries, the Government recently agreed to make the SNEC the executing agency for ongoing project preparatory technical assistance for the Tonle Sap Poverty Reduction and Smallholder Development Project being prepared for 2009.⁷ The SNEC has also recently drafted an Institutional Development Plan (IDP) 2015, which is designed to increase the financial sustainability of SNEC, reduce its need for development partner support, and transform SNEC into a first-rate Cambodian think tank.⁸ The proposed third phase of TA would retain the use of an international economic policy advisor to help ensure quality control, including over national consultant outputs, with emphasis on training an expanded group of core researchers able to balance analytical rigor with the need to provide recommendations that will be implemented. This would be supported by ongoing regionally focused capacity building projects for both middle- and senior-level government officials.

7. More specifically, the proposed TA complements two other regionally focused capacity development programs, including (i) ongoing TA for the Phnom Penh Plan for Development Management Program, which supports development of institutional capacities and human resource capabilities of middle-to senior-level officials in GMS member countries to improve the quality of decision making at the national and subregional levels;⁹ and (ii) prospective TA for Public Policy Training Program 2007–2010,¹⁰ which aims to build institutional capacity and public administration systems through clusters of training programs on economic reforms and development management for civil service officials at middle- to senior-levels in Cambodia (including SNEC), Lao PDR, and Viet Nam. Together, these regionally focused capacity building programs will help strengthen SNEC's understanding and analysis of regional issues, most notably those related to the GMS, and encourage useful networking with other regionally focused think tanks and policy institutes.

8. In that context, the proposed TA is fully accordance with the midterm review of the 10 year strategic framework of the GMS 2002–2012.¹¹ The review emphasized the need for an increased focus on the “software” components of cooperation and integration, including the development of human resources through subregional programs such as the Phnom Penh Plan

⁷ ADB. 2007. *Technical Assistance to the Kingdom of Cambodia for Preparing the Tonle Sap Poverty Reduction and Smallholder Development Project*. Manila.

⁸ The IDP 2015 states that the Government will provide one-third of the overall SNEC budget by 2011 (the end of the third phase of the TA), rising to two-thirds of the budget by 2014.

⁹ ADB. 2005. *Technical Assistance for Greater Mekong Subregion Phnom Penh Plan for Development Management II*. Manila.

¹⁰ The regional TA covers Cambodia, Lao PDR, and Viet Nam. Implementation began in Viet Nam in September 2007, and has just started in Cambodia and the Lao PDR.

¹¹ ADB. 2007. *Midterm Review of the Greater Mekong Subregion Strategic Framework (2002–2012)*. Manila.

for Development Management (para. 7), and closer cooperation on analyzing cross-border issues, such as trade and investment linkages, which is included in the SNEC work plan. The focus of the TA is also consistent with the objectives in the joint summit declaration of the Third GMS Summit, which highlighted the need to more closely link local, national, and subregional policies and programs to increase regional trade and investment.¹²

9. The proposed TA is also complementary to the ongoing and prospective assistance to the SNEC from other development partners, notably the United Nations Development Programme and the World Bank. The United Nations Development Programme is planning to continue to provide the SNEC with financial and logistical support in preparation for the annual Cambodia economic forum (next scheduled for January 2009), including by funding consultants to undertake research on topics to be presented at the annual economic forums, as well as one or two SNEC staff to undertake research on issues that may emerge and are not currently part of the core research agenda (e.g., rising inflation, which was not included in SNEC's original 2008 work plan). For its part, the World Bank would continue to fund the training of SNEC staff through the World Bank Institute and its affiliated link to the Korean Development Institute, and is considering contributing financial support to help equip SNEC's planned resource center.

10. Finally, depending on the success of the third phase to deliver the anticipated outcomes and achieving the expected impact, as well as the availability of additional funding, a fourth and final phase could be envisaged whereby ADB assistance assists in securing more permanent source(s) of funding and establishing SNEC's reputation as a first-rate Cambodian think tank.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

11. Building on accomplishments under the earlier TA projects, the third phase of the TA aims to improve the Government's ability to effectively formulate, coordinate, implement, and monitor key policies and strategies of its reform program (RS2) to promote sustainable economic development, by enhancing the capacity of SNEC to provide high-quality analysis and advice on economic and social development policies and strategies, including with respect to agricultural and rural development and regional economic integration, to key policy makers.

B. Methodology and Key Activities

12. All the outputs listed above (bottom half of paragraph 5, page 3) are designed to directly or indirectly increase the capacity of SNEC to demonstrate its operational effectiveness by building the capacity of SNEC to produce and translate high quality analyses into specific policies and strategies for implementation. Thus, the outputs are focused on finalizing the IDP 2015, deepening the staff's capacity for high-quality policy-oriented research, and producing economic assessments and analyses and the related policy agenda.

13. The key activities of the TA to achieve the outputs are to (i) help finalize the IDP 2015; (ii) take stock of the current staff capacity, and identify and implement annual training programs, including through mentoring, on-the-job training, and provision of specialized training. The latter would include short-term (1–2 weeks) training for up to 10 SNEC staff selected on a merit basis

¹² *Joint Summit Declaration of the Third GMS Summit*. Held in Vientiane, Lao People's Democratic Republic, 30–31 March 2008. <http://www.adb.org/Documents/Events/2008/3rd-GMS-Summit/GMS-Joint-Summit-Declaration-2008.pdf>

in prestigious international institutions such as the Lee Kuan Yew School of Public Policy. Such specialized training would be in addition to that provided by the regionally focused capacity development programs mentioned above, the Phnom Penh Plan for Development Management, and the Public Policy Training Program; (iii) identify core support research and analytical studies on priority economic and development issues in the SNEC work plan, produce studies, and get them published and disseminated; (iv) help equip and launch a Resource Center for SNEC to enhance access to data and information, including through the provision of IT-related equipment to enable networking; and (v) support the design and launching of an economic database facility.

14. The beneficial impact of the TA is based on two key assumptions. First, that the Prime Minister will continue to rely on SNEC to produce high-quality policy-oriented analytical research and studies that help determine government-wide policies, and that SNEC staff has access to the necessary data and information. Second, while the SNEC will be expected to assist in the overall coordination of government policies, coordination across government ministries and agencies, especially in cross-cutting areas such as agricultural and rural development and regional integration, will continue to improve, as recently experienced during the review of the Rectangular Strategy and the midterm review of the NSDP.¹³ There are two main risks: (i) that other government entities involved in policy formulation and coordination disagree with the SNEC's analyses and/or do not extend full cooperation to SNEC, thus hindering its effectiveness; and (ii) that capacity development is slower than anticipated as some staff may opt to leave once they have benefited from training opportunities. The first risk is mitigated by the Prime Minister's ability to override interagency coordination problems or settle policy differences, and by the expected continued strengthening of policy coordination mentioned above. The second risk is mitigated by SNEC's reputation as a prestigious government institution, where job satisfaction is directly related to the quality of the outputs produced by staff.

C. Cost and Financing

15. The TA is estimated to cost \$900,000 equivalent, of which \$500,000 will be financed on a grant basis by the People's Republic of China (PRC) Regional Cooperation and Poverty Reduction Fund (RCPRF) and administered by ADB, while \$150,000 will be financed on a grant basis by ADB's TA funding program. The Government will finance \$250,000. Detailed cost estimates and financing plan is provided in Appendix 2.

D. Implementation Arrangements

16. The executing agency (EA) for the TA will be SNEC, with the chairperson and/or permanent vice-chairperson serving as the principal coordinator(s). SNEC will provide office space for the international and national consultants, including basic furnishings and support staff. The permanent vice chairperson will also act as the full-time counterpart staff of the international

¹³ Coordination between the Government and development partners is expected to be further enhanced through an ongoing dialogue to improve the effectiveness of existing development cooperation structure. It is being carried out through 19 technical working groups (TWGs), periodic Government Donor Coordination Committee (GDCC) meetings, and an annual Cambodia Development Cooperation Forum (CDCF). The GDCC, which is chaired by the Minister of Economy and Finance, settles issues which are not resolved at TWG level. The CDCF, which is chaired by the Prime Minister, reviews the performance of the TWG and GDCC, and highlights future development policies and priorities of the Government. In addition, a Government Private Sector Forum, which is also chaired by the Prime Minister, meets twice a year on specific issues raised by the private sector.

consultant. The international consultant will be the consultant team leader for the TA, with support from Cambodia Resident Mission staff, and will offer advice on the selection of the national consultants, and ensure the quality and timeliness of their outputs.

17. The TA will support (i) one economic policy adviser (international consultant) providing 6 person-months of services, performed intermittently in 6 visits over 36 months, and (ii) up to 80 person-months of long-term and short-term national consulting services, including those of an IT specialist, on an intermittent basis. The long- and short-term national consultants (up to 6 in total) would be specialists in the following areas: macroeconomics, monetary and fiscal policy, agricultural and rural development, infrastructure, trade and regional integration, and private sector development. The IT specialist would be responsible for selecting and setting up the computers, printers, server, and related accessories, internet facilities, and customized software, and providing essential basic training to enable SNEC staff to fulfill their work program. The equipment will be procured in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time). All IT equipment would be turned over to the SNEC upon completion of the TA. The short-term consultants, who would be sector specialists, are expected to be recruited on a needs basis. The consultant terms of reference are presented in Appendix 3.¹⁴ While ADB's *Project Administration Instructions*¹⁵ specifies that a firm should be recruited when three or more experts are required for a particular assignment, it is proposed that the consultants be recruited individually¹⁶ because no single firm in Cambodia has the required breadth of local expertise across all the core areas to be covered. All consultants will be engaged by ADB in accordance with the *Guidelines on the Use of Consultants* (2007, as amended from time to time).

18. The economic policy adviser (international consultant) will submit to ADB an inception report 1 month after the start of field services, half-yearly progress reports, a midterm report after 18 months of implementation, a draft final report, and a final report at the conclusion of the TA. The inception report will include (i) a detailed work plan for the international consultant and expected outputs, (ii) detailed terms of reference for the national consultants, and (iii) agreed upon indicators to monitor progress in achieving outputs and evaluating outcomes expected from the TA.

19. The TA is expected to be implemented over 3 years, beginning in January 2009.

IV. THE PRESIDENT'S DECISION

20. The President, acting under the authority delegated by the Board, has approved (i) ADB administering a portion of technical assistance not exceeding the equivalent of \$500,000 to be financed on a grant basis by the People's Republic of China Regional Cooperation and Poverty Reduction Fund, and (ii) ADB providing the balance not exceeding the equivalent of \$150,000 on a grant basis, to the Government of Cambodia for Capacity Development for National Economic Policy Analysis and Development Management, Phase III, and hereby reports this action to the Board.

¹⁴ Detailed terms of reference for each specialist would be drafted by the economic policy adviser in consultation with the permanent vice chairperson of SNEC, but the scope of services of each specialist would include the provision of concise analytical reports clearly outlining available policy options.

¹⁵ ADB. 2008. *Project Administration Instructions*. PAI 2.02: Recruiting Consulting Firms. Section D: For Technical Assistance Assignments. Manila (Para. 2).

¹⁶ For each individual consultant, SNEC would rank at least three national consultants and recommend the highest-ranked individuals to ADB.


Design and Monitoring Framework

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanism	Assumptions and Risks
<p>Impact</p> <p>Improved the Government's ability to effectively formulate, coordinate, implement, and monitor key policies and strategies of its reform program.</p>	<p>By 2015, most of the Government's key policies and strategies will have been formulated with the assistance of SNEC.</p>	<p>Reports of the government-donor technical working groups.</p> <p>Reports of the government-donor coordination committee meetings.</p> <p>Report on the review of the NSDP, 2006-2010.^a</p>	<p>Assumptions: Continued improvements in coordination across Ministries and Agencies, and between Government and development partners.</p> <p>Risks Because SNEC is not an implementing agency, there is a risk that its analyses and recommendations may not be shared by relevant Ministries or Agencies, and that weak inter-ministerial cooperation and coordination may hinder the actual implementation of agreed policies.</p>
<p>Outcome</p> <p>SNEC provides high-quality analysis and advice on economic and social development policies and strategies, including with respect to regional economic integration, to key Government policy makers.</p>	<p>By 2011, an increasing number of key Government policies and strategies will have been formulated with the assistance of SNEC.</p> <p>Participation of high-level officials in international summits and conferences, including those related to ASEAN, GMS, and ACMECS meetings, resulting in a better fit between regional policy initiatives and national priorities.</p>	<p>Various Government documents and statements indicating the effectiveness of SNEC in translating sound underlying economic analysis into specific policy recommendations.</p> <p>Semiannual project progress reports and the final report of the TA.</p>	<p>Assumption: Continued political commitment to strengthen the capacity and policy relevance of SNEC, and its full access to data and information from Government sources.</p>
<p>Outputs</p> <p>1. IDP 2015 is finalized.</p>	<p>By 2011, SNEC will become increasingly self-sufficient and financially sustainable without significant support from development partners.</p>	<p>Semiannual TA progress reports.</p>	<p>Assumption: SNEC is able to retain its increasingly trained core research staff.</p> <p>Risk: Pace of capacity</p>

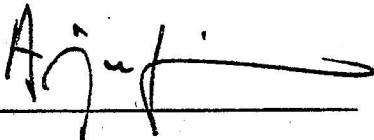
<p>2. Economic development assessments and analyses, policy briefs, and preparation of policy agenda of the Government are prepared.</p> <p>3. Staff's capacity is further deepened in policy-oriented research and analysis.</p>	<p>Annual increases in the number of publications and widening dissemination of policy research projects.</p> <p>Annual increase in the number of trained core technical staff.</p> <p>Establishment of an economic database facility by 2009.</p> <p>Operationalization of a Resource Center by 2010.</p>		<p>development is slowed by departure of newly trained staff.</p>
<p>Activities and Milestones</p> <p>1.1 Review IDP 2015 internally by mid-2009; 1.2 Conduct an inter-agency review of IDP 2015 by end-September 2009; 1.3 Formally adopt IDP 2015 by end-2009.</p> <p>2.1 Identify list of core activities and research topics to be undertaken annually between 2009 and 2011; 2.2 Finalize reports, analyses, and high-level statements each year; 2.3 Publish and disseminate reports, analyses, and high-level statements each year.</p> <p>3.1 Take stock of current staff capacity by end-March 2009; 3.2 Identify annual training programs by end-June 2009; 3.3 Identify number of staff to attend training programs each year; 3.4 Implement the training programs each year.</p> <p>3.5 Design economic database facility, including content and accessibility features by mid-2009; 3.6 Launch the economic database facility by end-2009.</p> <p>3.7 Determine location for Resource Center (or build if new structure) by end-2009; 3.8 Equip the Resource Center by mid-2010; 3.9 Launch the Resource Center by end-2010.</p>			<p>Inputs</p> <p>PRC Regional Cooperation and Poverty Reduction Fund – \$0.50 million</p> <ul style="list-style-type: none"> • Consulting services 86 person months – \$0.34 million • Equipment – \$0.05 million • Miscellaneous administration and support costs – \$0.01 million • Contingencies – \$0.10 million <p>ADB – \$0.15 million</p> <ul style="list-style-type: none"> • Training, seminars, and conferences – \$0.13 million • Contingencies – \$0.02 million <p>Government – \$0.25 million</p> <ul style="list-style-type: none"> • Office accommodation and transport – \$0.05 million • Remuneration and per diem of counterpart staff - \$0.13 million • Others - \$0.07 million

^a The Government has decided to extend the NSDP to 2013 so that future NSDPs coincide with 5-year term of governments.

ACMECS = Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy; ASEAN = Association of Southeast Asian Nations; DPs = Development Partners; GDCC = government donor coordination committee; GMS = Greater Mekong Subregion; IDP = Institutional Development Plan; NSDP = National Strategic Development Plan; PRC = People's Republic of China; SNEC = Supreme National Economic Council; TA = technical assistance; TWG = technical working group.



Arjun Thapan
Director General, SERD



Arjun Goswami
Country Director, CARM

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
A. PRC RCPRF ^a	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	140
ii. National Consultants	160
b. International and Local Travel	25
c. Reports and Communications	15
2. Equipment ^b	50
3. Miscellaneous Administration and Support Costs	10
4. Contingencies	100
Subtotal (A)	500
B. Asian Development Bank Financing ^c	
1. Training, Seminars, and Conferences	
a. Facilitators	10
b. Training Program	120
2. Contingencies	20
Subtotal (B)	150
C. Government Financing	
1. Office Accommodation and Transport	50
2. Remuneration and Per Diem of Counterpart Staff	130
3. Others	70
Subtotal (C)	250
Total	900

PRC = People's Republic of China, RCPRF = Regional Cooperation and Poverty Reduction Fund

^a Administered by the Asian Development Bank.

^b For computers, printers, a server, and related accessories, internet facilities, and customized software.

^c Financed by the Asian Development Bank.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Economic Policy Adviser (international; 6 person-months)

1. The economic policy adviser shall serve a total of 6 person-months, with services performed intermittently in six missions over 36 months.

2. The policy adviser will have an advanced degree in economics, social sciences, political science, or a related field. They will have extensive experience (at least 10–15 years) in policy processes, analysis and advice, and public sector management in several developing countries. Experience in working with development issues and policies of the Greater Mekong countries will be an advantage. They will have teaching experience and will be at ease conferring with senior government officials over sensitive issues; possess excellent communication and interpersonal skills; and be aware that the position will provide access to material that must be kept confidential.

3. The policy adviser will provide on-the-job training to the technical staff of the SNEC Secretariat and, in close collaboration with the chairperson and/or permanent vice-chairperson of the SNEC, refresher courses in macroeconomics on an as-needed basis.

4. In close consultation with the chairperson and/or permanent vice-chairperson and members of SNEC, the policy adviser will assist SNEC to review the overall institutional development plan (IDP) 2015 and policy research program. The adviser will also provide guidance to the technical staff of SNEC in undertaking analytical work, and supervise the timely preparation of the policy research and economic analysis reports that will be published by SNEC.

5. More specifically, under the overall guidance of the chairperson and/or permanent vice-chairperson, and in close collaboration with the SNEC members where appropriate, the policy adviser will undertake the following tasks.

1. Training. The policy advisor's tasks will include

- (i) on-the-job training with an emphasis on problem solving, and, on a needs basis, design and implementation of refresher courses in macroeconomics in areas relevant to the work of the technical staff of SNEC; and
- (ii) providing support for staff as they undertake assignments that form the basis for progress monitoring.

2. Supervision and Guidance. The policy advisor will

- (i) assist in reviewing the IDP 2015 and the policy research program of SNEC and provide guidance for the analytical work and research studies assigned to individual technical staff;
- (ii) provide support to the technical staff wherever required;
- (iii) give regular feedback to the chairperson and/or permanent vice-chairperson on progress of research and on necessary adjustments in the research programs, and identify possible new areas of research;
- (iv) guide the preparation of the policy research and economic analysis reports that will be published by SNEC, including the outputs prepared by the national consultants;

- (v) assist SNEC to organize seminars and workshops on topics of socioeconomic relevance to Cambodia (including discussions of findings of research undertaken by SNEC's technical staff), and on regional integration; assist in the selection of the international facilitators for such workshops and seminars (as required); and
- (vi) guide technical staff and/or national consultants on survey design (if surveys are to be undertaken).

3. Other. The policy advisor will also

- (i) prepare a detailed work plan for their own work for the duration of the TA, including expected outputs and the agreed-upon indicators to monitor progress in achieving these outputs;
- (ii) assist the chairperson and/or permanent vice-chairperson in preparing detailed terms of reference for the national consultants (both long term and short term), including the specifying time-bound outputs to be achieved;
- (iii) assist SNEC in ensuring consistency between policies in the NSDP and other government reform initiatives;
- (iv) advise the chairperson and/or permanent vice-chairperson on other matters relating to SNEC as they arise from time to time; and
- (v) support SNEC in the preparation of an inception report 1 month after the start of the TA implementation, semiannual progress reports, a midterm report after 18 months of implementation, and a draft final and final report at the conclusion of the TA. The final report should also contain recommendations on the future of SNEC, and other issues pertaining to policy advice in Cambodia.

B. National Consultants (national; up to 80 person-months)

6. A total of up to 80 person-months of national consulting services will be provided on a needs and intermittent basis over 36 months. Up to a total of six long- and short-term national consultants will be recruited intermittently to assist the chairperson and/or permanent vice-chairperson and other members of the SNEC in performing their duties in support of the overall economic management mandate of the Prime Minister, and the timely production of the expected outputs of the policy research program.

1. Reporting, Supervision and Performance Monitoring

7. Overall guidance for the national consultants will be provided by the chairperson and/or permanent vice-chairperson, and the long- and short-term national consultants will work under their operational direction. The scope of services of each specialist in the core areas outlined above would include the provision of concise analytical reports with well-reasoned and defined policy options. The IT consultant will be responsible for procuring all IT-related equipment and setting up a fully functional network within the SNEC Secretariat. Depending on their specific thematic assignments, the short-term consultants will be assigned to a specific SNEC member.

8. The chairperson and/or permanent vice-chairperson shall certify the performance of the national consultants in collaboration with the economic policy adviser and, in the case of the short-term consultants, the specific SNEC member directing their activities. The national consultants will be experts in the specific areas targeted by the research program. The performance of national consultants will be evaluated against the achievement of clearly

identifiable outputs, which are specified in their terms of reference, and expected to be achieved during the period of the consultancy.

2. Tasks

9. Given the parameters provided above, the national consultants shall
 - (i) undertake analysis of economic developments, policy issues, and research assigned to them by SNEC;
 - (ii) prepare memoranda, reports, and presentations on the results of their analyses;
 - (iii) in coordination with the economic policy adviser, participate in training;
 - (iv) undertake surveys (if needed); and
 - (v) organize seminars and workshops to discuss macroeconomic and sector issues and the results of their analysis and research, as required by SNEC.