

**ASIAN DEVELOPMENT BANK**

**TAR: 35274**

**TECHNICAL ASSISTANCE**

**TO THE**

**KINGDOM OF CAMBODIA**

**FOR PREPARING**

**THE DECENTRALIZATION SUPPORT PROGRAM**

**February 2002**

## CURRENCY EQUIVALENTS

(as of 31 December, 2001)

Currency Unit	–	Riel (KR)
KR 1.00	=	\$.0002608
\$1.00	=	KR3,887.50

## ABBREVIATIONS

ADB	–	Asian Development Bank
CAR	–	Council for Administrative Reform
CDC	–	Commune Development Committee
DOLA	–	Department of Local Administration
DSP	–	Decentralization Support Program
GTZ	–	Deutsche Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Cooperation)
MOI	–	Ministry of Interior
MOLMUPC	–	Ministry of Land Management, Urban Planning and Construction
NCSC	–	National Committee to Support the Commune Councils
NGO	–	nongovernment organization
TA	–	technical assistant
TOR	–	terms of reference
UDNP	–	United Nations Development Programme

## NOTES

- (i) The fiscal year (FY) of the Government corresponds to the calendar year.
- (ii) In this report, "\$" refers to US dollars.

## I. INTRODUCTION

1. The Asian Development Bank (ADB) undertook its annual country programming mission in April 2001 and engaged in consultations with all stakeholders for developing a multiyear rolling program of loans and technical assistance (TA). Building on the recommendations of the ADB-funded governance study<sup>1</sup> completed earlier this year, the Government requested a project preparatory TA in 2002, and a loan of \$5 million. The TA Fact-Finding Mission,<sup>2</sup> fielded from September 26 to October 4, reached an understanding with the Government on the objectives, scope, cost estimates, financing plan, consulting services, and implementation arrangements for the TA.

## II. BACKGROUND AND RATIONALE

2. Beginning in 1999, the Government embarked on broad-ranging reforms of public administration and finance; legal and judicial areas; the military; and subnational areas, notably, commitments to decentralization (the creation of elected commune councils) and deconcentration (the delegation of central ministry functions to provincial authorities).

3. ADB's operations in Cambodia are guided by the country operational strategy, that was completed in 2000, and is designed to support the state reform agenda in two main areas. First, ADB is providing assistance for core governance initiatives that are part of the Government's Governance Action Plan<sup>3</sup> such as support to the Council for Administrative Reform (CAR) for priority mission groups, which will be teams carefully selected to carry out results-based work in return for better incentives and working conditions; support for drafting legislation governing security of public access to land, forests, and water resource management; support for implementing annual budgets and a medium-term expenditure framework;<sup>4</sup> support for implementing the Audit Law by providing assistance to the National Audit Authority;<sup>5</sup> and support for improving subnational governance.

4. Second, ADB is ensuring that all projects are consistent with and reinforce the Government's reform agenda. For example, the preparation<sup>6</sup> of the Education Sector Development Program is linked to the budgeting and expenditure management reforms defined by the Ministry of Economy and Finance, the provisions of the Audit Law, and reforms in pay and employment through CAR. Future ADB projects in agriculture and natural resource management will adopt a similar approach.

5. Of the many core governance improvements supported by ADB, the deconcentration and decentralization of functions to provincial authorities and commune councils is closely

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<sup>1</sup> ADB and Cambodia Development Resource Institute, *Cambodia: Enhancing Governance for Sustainable Development*. Manila 2001 (Online). Available at [http://www.adb.org/Documents/Books/Cambodia\\_Enhancing\\_Governance/default.asp?p=govpub](http://www.adb.org/Documents/Books/Cambodia_Enhancing_Governance/default.asp?p=govpub). ADB updated the findings of the Governance Study on Cambodia in a new study, which compares governance challenges in four countries of the Mekong subregion: C. Wescott, ed. *Key Governance Issues in Cambodia, Lao PDR, Thailand and Viet Nam*. Manila: ADB, 2001 (Online). Available at [http://adb.org/Documents/Books/Key\\_Governance\\_Issues/default.asp](http://adb.org/Documents/Books/Key_Governance_Issues/default.asp).

<sup>2</sup> The mission comprised Clay Wescott, Mission Leader and Andy Batkin, consultant, with advice from Urooj Malik, Resident Representative, Cambodia Resident Mission.

<sup>3</sup> Council for Administrative Reform. *Governance Action Plan: Progress Report*, in Office of the Council of Ministers, *Documents Supporting Intervention*, 12-13, June by Sr. Minister Sok An, Consultative Group Meeting, Tokyo 2001, Annex B.

<sup>4</sup> TA 3634-CAM: *Strengthening Public Financial Management*, for \$1,200,000, approved 22 February, 2001.

<sup>5</sup> *Ibid.*

<sup>6</sup> TA 3463-CAM, *Preparing the Education Sector Development Program*, for \$800,000, approved on 27 June, 2000.

linked with the Government's commitment to making economic development that reduces poverty its first priority. Although the direct service role of elected local councils will be modest, they offer great opportunities for increasing local voice and representation in issues such as land-use rights, common property and natural resource use, and the efficiency of government service delivery. Increased transparency and accountability over resource use will help to promote investment and reduce vulnerabilities, in addition to the intrinsic value of democratic systems in promoting participation and social inclusion.

6. Decentralization does not merely involve creating elected commune councils. In due course, it will involve refocusing many aspects of government in Cambodia. The National Assembly and Senate have passed two major pieces of legislation. The Law of Commune Administrative Management broadly defines the nature, functions, and powers of the forthcoming commune councils and defines a modest form of decentralization of responsibilities and resources to elected commune councils. The Commune Election Law regulates the way in which commune elections will be held. The first elections to create commune councils with decentralized powers in the history of the country were held on 3 February 2002. A policy of deconcentration of powers and functions to the provincial and district levels is also under consideration within the framework of the National Program for Administration Reforms, which was presented to the aid community at the consultative group meeting of February 1999 in Tokyo. Government policy recognizes the essential complementarity and the need for a parallel implementation of decentralization and deconcentration reforms. Decentralization of government to the communes will only work if supporting functions are also deconcentrated to the provinces and districts. The Seila Program (para.8) is introducing deconcentrated-decentralized planning and management of development activities to all rural provinces, and is adapting its approach to fit the new arrangements following the creation of commune councils. The Seila Program is planned to cover all rural provinces by 2005. Under the Seila Program, commune development committees (CDCs), chaired by a commune chief and including representatives from all villages, are responsible for the development of the commune. After the elections, commune councils will replace the CDCs. The commune councils will have 4-8 elected representatives with a five-year mandate. For at least the first year, planning and priority setting mechanisms in place for the CDCs will be carried forward by the commune councils including the Local Planning Process, Commune Development Plans, and Commune Investment Plans and Budgets.

7. The Law on Commune Administrative Management called for the establishment of a National Committee to Support the Commune Councils (NCSC), comprising representatives from six ministries and the Council of Ministers, chaired by the Ministry of Interior (MOI) and supported by the MOI's Department of Local Administration (DOLA) as secretariat. The life of the NCSC is limited to the first term of office of the elected commune councils (2002–2007). The composition and duties of the NCSC are set out in the Royal Decree issued in May 2001. Subsequently, the MOI requested that ADB and the German Agency for Technical Cooperation (GTZ) jointly assist in preparing a medium-term action plan (road map) both to guide NCSC and DOLA, and to help in mobilizing and coordinating of donor support<sup>7</sup>. Simultaneously with the preparation of this road map, ADB and GTZ together initiated a donor forum on decentralization. This forum continues to meet regularly.

8. The forum is helping to ensure that ADB's support in this area is well coordinated with support from other donors. Notably, the GTZ is providing TA support to DOLA from 2002 to 2004. GTZ is also providing capacity building support in Kampong Thom and Kampot for local

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<sup>7</sup> NCSC, 2001. "Decentralization Road Map, 2002-2007". Phnom Penh.

officials and councilors, and support to the Ministry of Land Management, Urban Planning and Construction's (MOLMUPC) role as chair of the NCSC's boundary review subcommittee. The United Nations Development Programme (UNDP) is supporting the National Election Commission with voter registration and organization of the commune elections, and is supporting MOI with legal and administrative preparations and to the Ministry of Economy and Finance in relation to fiscal decentralization. The Konrad Adenauer Foundation has an ongoing program of short-term TA educational inputs to the MOI, CAR, and Council of Ministers. The Konrad Adenauer Foundation has also offered to help finance some of the materials to be issued to commune councils in the coming few months. The Government of France is identifying a program of support to the MOI, Ministry of Economy and Finance, and CAR for 2002. Current indications are that this will involve cofinancing with UNDP, and support to the training and capacity building needs at all levels. The European Union will be providing substantial financial support to the local elections in February 2002, including national and international monitoring teams. The European Union's Institutional Support Program will be training some staff in CAR and MOLMUPC from 2002. Several aid agencies (UNDP, The United Kingdom's Department of International Development [DFID], The Swedish International Development Agency [SIDA], and the International Fund for Agricultural Development [IFAD]) are financing the substantial Seila Program (2001–2005), which is piloting decentralized and deconcentrated approaches to rural development. The World Bank is preparing a new project to support rural investment using the Seila Program in eight provinces<sup>8</sup>. A group of leading nongovernment organizations (NGOs) have formed the Commune Council Support Project, hosted by the International Cooperation for Development and Solidarity Network, to mobilize NGO support to the decentralization process.

9. Making decentralization a success is a huge task. From February 2002, for the first time in its history, Cambodia will have elected local government corporate entities. With over 1,600 newly created rural and urban commune councils, with over 12,000 local councilors, the task of establishing and internalizing appropriate legal, administrative, fiscal and supervision mechanisms is immense, particularly in view of the known weaknesses in skills and institutional capacity throughout the public sector. There will also be a need to house and equip the new councils, build communication networks, and review commune boundaries. Government officials responsible for the decentralization process are very anxious for a substantial program of medium-term support to complement the mainly short-term aid inputs provided to date.

10. Further, the Government's decision to hold local council elections in 2002 has longer term significance and benefits. First, this decision has been an authentically national initiative. Although the Government has received much less external support for the commune elections than it received for the national elections in 1998 (and vastly less than for the process organized by the United Nation's Transitional Authority for Cambodia in 1993), it has financed the voter-registration process and preparatory work from its own resources. 1,600 commune clerks have been interviewed, appointed, and their training is under way. Second, however limited the powers and capacities of commune councils were in the early years, the decision to elect local councils is an important step toward deepening the concept of democracy and popular understanding of democratic rights and freedoms, in a country that- until the last decades -had only known autocratic rule. The keen public interest in ensuring sufficient opportunities to register, and local competition and organization prior to candidate registration (despite problems in some places) indicate growing popular interest in the opportunity to exercise a democratic mandate.

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<sup>8</sup> World Bank *Cambodia—Rural Investment and Local Governance Project, Project Identification Document*, 25 September 2001. The \$20 million to \$25 million project is scheduled for approval in August 2002.

### III. THE TECHNICAL ASSISTANCE

#### A. Objective

11. The TA will contribute to the design of robust institutions and systems for decentralization. Specifically, the TA will assist the NCSC; its subcommittees, working groups, and member ministries; MOI-DOLA; CAR; provinces; districts; and communes, to design a pro-poor decentralization support program (DSP) for the Government. A variety of modalities to support decentralization currently exist, and strengthening coordination among them is a Government priority. The TA team will therefore work to promote an effective mechanism for coordinating decentralization among Government ministries, among financing agencies, and between the Government and the agencies.

#### B. Scope

12. The TA will use a participatory process to support the development of the DSP, building on findings from previous assistance supported by ADB and other funding agencies. The draft DSP will summarize the macroeconomic and social context, key policy issues, and Government objectives and strategy for decentralization. The DSP will outline proposed TA and investment requirements needed from ADB and other agencies, including the rationale, objectives, policy framework and actions, capacity building, monitoring indicators, impact and risks, social analysis, justification, and project framework for the assistance. The ongoing areas of support from other agencies will be incorporated within the overall DSP, which is expected to (i) provide office premises, equipment, and communications facilities to national, provincial, district and commune structures; (ii) continue ongoing capacity building of MOI and DOLA, and the NCSC, its subcommittees, officer working groups, and member ministries, to plan and implement the decentralization process; (iii) help MOI and DOLA establish the provincial presence required for it to undertake its various responsibilities in supervising and supporting the development of commune councils; (iv) ensure full consideration of women's needs by drawing on the provincial departments of women's and veterans' affairs and their extensive network of volunteers and women's groups; (v) help MOLMUPC, as chair of the NCSC boundary review subcommittee, to design the commune boundary review process which must be completed by the commune elections in 2007; (vi) help MOI, CAR, and other concerned ministries to clarify and strengthen the powers, functions, and administrative capacities of provincial and district administrations required to support decentralization, including incorporation of the approach and practical experiences of the Seila model of deconcentrated-decentralized rural development; (vii) contribute to sustainable, participatory planning, negotiation, and awareness-raising for government, external agency, civil society, and private sector stakeholders on the role and potential of democratic local governance.

13. Based on the DSP, agreed ADB-funded components will be designed, including project costs, benchmarks for institutional development, and implementation arrangements. Unaddressed financial and technical requirements will be identified, together with potential sources of cofinancing.

#### C. Cost Estimates and Financing Plan

14. The total cost of the TA is estimated at \$588,000 equivalent over a period of six months, comprising a foreign exchange cost of \$312,000 and local currency cost of \$276,000 equivalent. ADB will fund \$500,000 equivalent to cover the entire foreign exchange cost of \$312,000 and \$188,000 equivalent of the local currency cost. The TA will be financed initially on a grant basis from the ADB-funded TA Program with a provision for recovering the portion exceeding

\$250,000 equivalent in the event that the TA results in a loan from ADB. The Government's contribution to the TA, estimated at \$88,000 equivalent, will be in kind and will include the provision of counterpart staff, office accommodation, and secretarial and office support. The detailed cost estimates and proposed financing arrangements are in Appendix 1. The Government has been informed that approval of the TA does not commit ADB to finance any ensuing project.

#### **D. Implementation Arrangements**

15. MOI-DOLA will be the Executing Agency for the TA. The TA (15 person-months total) will take place during a six month period from February to July, 2002. The TA team, to be recruited on an individual basis, will report to the Director General, Department of General Administration, MOI. The team will be accommodated within the MOI's DOLA, the secretariat to the NCSC. The team will work in close cooperation with DOLA and will maintain daily contact with DOLA's director. The TA team leader will ensure the effective management of the TA team; that the team's work is delivered in a professional, timely, and effective manner; that reporting requirements are met; and that effective liaison with all partners is ensured. Outline terms of reference for consultants are attached as Appendix 2.

16. Key reports will include (i) an inception report after three weeks; and (ii) a DSP document detailing medium-term support to the legal, administrative, and financial aspects of the Government's decentralization program, which has been thoroughly discussed and agreed with all concerned Government, civil society, and external funding partners.

17. The \$30,000 allocated for training, seminars, and conferences will support (i) a two day seminar on decentralization progress and future perspectives for 50 senior decision makers and leaders, and (ii) 50 radio announcement to reinforce public awareness about the role and functions of commune councils. Undisbursed contingency allowances will support further training and public awareness activities for the capacity building program. The administration and support costs include provision for the TA team to recruit a good translator and interpreter, to relieve significant bottleneck within MOI-DOLA at present.

18. Equipment will be procured following ADB's guidelines for procurement. Consultants will be hired in accordance with ADB's *Guidelines on the Use of Consultants*, and other arrangements satisfactory to ADB for the engagement of domestic consultants. On completion of the TA, all office equipment will be handed over to MOI-DOLA. If any of these items are to be used by a follow-on loan project, this will be clearly specified in the hand-over arrangements.

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

19. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance to the Government of Cambodia in an amount not exceeding the equivalent of \$500,000 for the purpose of preparing the Decentralization Support Program, and hereby reports such action to the Board. This technical assistance will be financed initially as a grant, but will be subject to the reimbursement arrangements set forth in the Board papers on *Technical Assistance Operations* (Doc. R51-77, dated 20 May 1977) and *Streamlining of Technical Assistance Operations* (Doc. R44-88, dated 21 March 1988), including the provision that, in the event of the technical assistance resulting in a loan from the ADB, ADB may charge against such loan, and recover from it, the portion of the initial grant that exceeds \$250,000 equivalent.

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

Item	Foreign Exchange	Local Currency	Total Cost
<b>A. Asian Development Bank Financing<sup>a</sup></b>			
1. International Consultants			
a. Remuneration and Per Diem	322,000	0	322,000
b. International and Local Travel	25,000	2,000	27,000
c. Reports and Communications	2,000	2,000	4,000
2. Equipment <sup>b</sup>	5,000	20,000	25,000
3. Training, Seminars, and Conferences	0	30,000	30,000
4. Transportation	0	2,000	2,000
5. Miscellaneous. Administration and Support Costs	3,000	12,000	15,000
6. Representative for Contract Negotiations	5,000	0	5,000
7. Contingencies	20,000	50,000	70,000
<b>Subtotal (A)</b>	<b>312,000</b>	<b>188,000</b>	<b>500,000</b>
<b>B. Government Financing</b>			
1. Remuneration and Per Diem of Counterparts	0	43,000	43,000
2. Secretarial and Office Support	0	10,000	10,000
3. Translation Services	0	0	0
4. Office Accommodation and Utilities	0	35,000	35,000
<b>Subtotal (B)</b>	<b>0</b>	<b>88,000</b>	<b>88,000</b>
<b>Total</b>	<b>312,000</b>	<b>276,000</b>	<b>588,000</b>

<sup>a</sup> Financed from the Technical Assistance Program

<sup>b</sup> 8 computers and peripherals, six telephones and fax machines, and two photocopiers; all will be handed over to Ministry of Interior - Department of Local Administration on completion of the Technical Assistance.

Source: Staff estimates.

(Reference in text: page 5, para.14)



## OUTLINE TERMS OF REFERENCE FOR CONSULTING SERVICES

1. The terms of references (TORs) set out the qualifications, experience and outputs to be provided by the Technical Assistance (TA) team, comprising four international TA specialists (15 person-months total) engaged to work over a period of 6 months during 2002.
2. Reporting to the Director General, Department of General Administration, Ministry of Interior (MOI), the TA team will work in close cooperation with the Department of Local Administration (DOLA) and will maintain daily contact with the director of DOLA. The TA team will work flexibly, according to the priorities and progress on key tasks achieved by the National Committee to Support the Commune (NCSC) and DOLA, and the ongoing activities of other external agencies' inputs at the start of the TA.
3. The TA team will assist the NCSC, its subcommittees, working groups and member ministries, Ministry of Interior (MOI)-DOLA, Council for Administrative Reform (CAR), provinces, districts, and communes, to (i) design a pro-poor decentralization support program (DSP) for the Government; and (ii) prepare, within the DSP framework, a loan eligible for Asian Development Bank (ADB) financing. The TA team will:
  - (i) establish itself within MOI-DOLA, including office space logistics, reporting, and liaison arrangements;
  - (ii) review progress on each of the areas set out within the TORs;
  - (iii) review new perspectives emerging from the commune elections on 3 February 2002;
  - (iv) identify key shortcomings and immediate priorities for 2002; and
  - (v) in discussion with the NCSC and aid partners, develop a work plan, targets, and indicators, to support action on these priority issues for the rest of 2002; the outline workplan will form part of their inception report.
4. All four TA team members must have (i) an excellent educational background in a relevant field; (ii) excellent interpersonal and diplomatic skills; (iii) excellent communication skills, verbally and in writing, in clear, concise English; (iv) a proven track record in local governance or public sector reform and systems development in developing countries; and (v) familiarity with the Cambodian context and history.
5. The following reports will be provided to MOI, NCSC, ADB and other partners:
  - (i) **Inception Report.** A brief inception report (10-15 pages) will be produced 21 days after mobilization of the team (1<sup>st</sup> quarter, 2002). The report will (a) comment on the contents of these TORs; (b) summarize activities to date; (c) comment on cooperation understandings achieved with the Government and other TA providers; (d) comment on key issues identified and the implications of these for the priorities and work of the team for the rest of the TA; (e) provide an outline work plan for the TA, including clearly specified targets and indicators of achievement; and (f) note any difficulties that could jeopardize the successful conclusion of the team's work.
  - (ii) **Draft Decentralization Support Program Document.** Based on the understandings developed during the TA mission, and the priorities identified, the team will help MOI-DOLA to complete a program document detailing medium-term support to the legal, administrative, and financial aspects of the government's decentralization program (2<sup>nd</sup> quarter, 2002). The content of the

draft document will have been thoroughly discussed with and agreed on by all concerned Government, civil society, and external partners.

- (iii) **Final Report.** A brief final report (about 25–30 pages) summarizing the work completed by the team to prepare a DSP project and highlighting the key issues that shaped the formulation of the required documentation (3<sup>rd</sup> quarter, 2002).

6. The reports will be produced in hard copy and electronic formats. The latter will be incorporated into the ADB's Cambodia knowledgebase, and made available to Government officials and other stakeholders.

7. Effective cooperation with Government counterparts and other external agencies is essential. The TA team will (i) harmonize its work plan and day-to-day activities with the ongoing priorities of the NCSC, CAR, Seila Program, and the work of other external agencies, ensuring that lessons learned from previous work are fully incorporated; (ii) maintain close liaison with ADB's Cambodia Resident Mission to strengthen coordination mechanisms around issues of decentralization planning and implementation within the wider funding community; (iii) maintain close liaison with related ADB projects (notably on financial management strengthening in Ministry of Economy and Finance (MOEF) and sector development in education, health, and agriculture) and with other externally supported projects related to decentralization, notably the multidonor Seila Program and the land reform program within the Ministry of Land and Management, Urban Planning and Construction (MOLMUPC).

#### **A. Team Leader and Local Governance Specialist (6 person-months)**

8. The team leader will have a proven track record in team leadership, and extensive experience in public administration reform, institutional development, and developing systems of local governance in developing countries, including the development of the legal and administrative frameworks for local government structures, systems, functions, and operations. Experience in comparative systems of local governance is desirable. Under the direction of the Director General, Department of General Administration, MOI, the team leader will be responsible for the following:

- (i) Draft a DSP document, embracing all aspects of the development of decentralization in the medium term, within the context of the Governance Action Plan and the wider reform framework. The DSP will be a comprehensive account of the measures required to make decentralization a success and will indicate the ongoing and future expected contributions from other funding partners.
- (ii) Prepare within the DSP framework, a loan eligible for ADB financing, including the development rationale and justification, the broader Governance Action Plan and reform framework, social analysis, a project logical framework, project costs, benchmarks for institutional development, implementation arrangements, and expected impacts and risks.
- (iii) Manage the TA team, ensuring that the requisite liaison and cooperation arrangements with the government and external partners are satisfactorily established, and that the required TA outputs and reports are produced on time and to the highest professional standard.
- (iv) Review progress by the NCSC with approving and promulgating with subdecrees related to commune powers and functions; council operating procedures; and the duties of council clerks and assisting the development of the legal framework and administrative procedures. Incorporate findings into DSP framework.

- (v) Review progress by MOI and CAR on defining the organization, powers, and functions of provincial governors, and the administrative functions of provincial governments. Review the practical experience of the Seila Program in establishing a deconcentrated system of planning and implementing rural development. Incorporate findings into the DSP framework.
- (vi) Review progress by the MOLMUPC, as chair of the commune boundary review sub committee, in preparing the boundary review exercise. Help definite of the criteria for reorganized communes and the management and organization of the boundary review process. Incorporating findings into the DSP framework.
- (vii) Help organize and supervise all seminars and workshops under the TA.
- (viii) Facilitate joint aid support and program and project appraisal modalities.
- (ix) Explore potential cofinancing for the DSP.
- (x) Prepare, in a format satisfactory to ADB, the required reports.

**B. Local Government Finance Specialist (3 person-months)**

8. The specialist will have sound practical experience in public sector financial management systems and fiscal decentralization in developing countries. Under the direction of Director General, Department of General Administration, MOI and the team leader, and in collaboration with the other members of the consultancy team, the specialist will be responsible for the team's work on the financing of communes, including (i) the Commune Fund established under the Law on Commune Administration, (ii) fiscal transfer procedures, (iii) commune accounting systems, and (iv) the monitoring and accountability arrangements covering the use of transfers by commune councils. This will include reviewing progress by the Ministry of Economy and Finance (MOEF), NCSC, and its finance subcommittee and supporting further development in relation to

- (i) establish a transparent, simple, and equitable allocation mechanism for the Commune Fund as part of the DSP;
- (ii) creating a transparent, efficient, and accountable means of transferring commune allocations from the Commune Fund to commune accounts as part of the DSP;
- (iii) designing simple accounting, record-keeping, and financial management procedures suitable for communes as part of the DSP;
- (iv) providing for training and capacity building for commune councilors and clerks in relation to financial management issues as part of the DSP;
- (v) designing commune development planning procedures and their linkage to commune fund allocations and other finances available to the commune as part of the DSP;
- (vi) harmonizing the Seila Program and Commune Fund allocation and management systems into a common national system as part of the DSP;
- (vii) establishing supervision and audit procedures by province and district over commune use of funds transferred as part of the DSP; and
- (viii) creating performance measures in relation to the proper operation of commune councils and the use of commune funds, and determining how to use the performance measures to influence financial allocations in following years, as part of the DSP;

**C. Administrative Reform and Human Resources Development Specialist (4 person-months)**

9. The specialist will have sound practical experience with public sector management development and training, and development communications. Under the direction of Director General, Department of General Administration, MOI and the team leader, and in collaboration with the other members of the team, the specialist will be principally responsible for the team's work in supporting the development of DOLA, both within the MOI and at the provincial level, and capacity building work with councilors and different tiers of the administration. The work will include the following:

- (i) Review plans for increasing the number of capable staff allocated to DOLA and expediting transfer and recruitment to create an adequate staff team within DOLA as part of the DSP.
- (ii) Ensure full consideration of women's needs by drawing on the provincial departments of women's and veterans' affairs and their extensive network of volunteers and women's groups.
- (iii) Review and strengthen the systems for planning for NCSC's and DOLA's work, and for tracking progress, following-up, and reporting on the work plans as part of the DSP.
- (iv) Review the internal structure, organization, delegation, duties, and working style of DOLA. Work with the director to prepare systems to increase DOLA's efficiency and effectiveness as part of the DSP.
- (v) Identify priority training needs for DOLA staff, principally in essential management, committee secretariat, and planning and monitoring skills. Identifying ways to meet these through intensive, short in-house training, provision of simple manuals, and procedural protocols as part of the DSP.
- (vi) Review the urgent and priority equipment and resource needs of DOLA and how to meet these from the budget provided.
- (vii) Review progress on the creation of provincial and district DOLA units, including allocation of staff, management and reporting arrangements, and training and resourcing needs. Develop practical plans with the director of DOLA to strengthen current arrangements and meet immediate pressing resource needs as part of the DSP.
- (viii) Review overall progress on capacity building and training for key central, provincial, and district staff; commune clerks; and councilors, notably the lessons from the Seila Program, the provincial pilot and other capacity building initiatives. Design the further development of the overall training program as part of the DSP.
- (ix) Review progress with the campaign to promote public awareness about the role and potential of local councils. Assist DOLA to design new means to enhance popular awareness as part of the DSP.
- (x) Review progress in establishing effective DOLA-NGO liaison and cooperation arrangements leading to further development of communication with the NGO community. Mobilize the support to decentralization that NGO's are able to offer, as part of the DSP;

**D. Decentralization Facilities Specialist (2 person-months)**

10. Under the direction of the Director General, Department of General Administration, MOI and the team leader, and in collaboration with the other members of the consultancy team, the specialist will do the following:

- (i) Review MOI-DOLA access, quality and efficiency strategies to develop decentralization facilities.
- (ii) Review the financing needed for decentralization
- (iii) Review the technical and managerial capabilities and available arrangements for implementing commune facilities programs.
- (iv) Propose implementation modalities of office premises, equipment, and communications facilities to national, provincial, district, and commune structures under the DSP.
- (v) Identify possible priorities for ADB loan assistance for decentralization facilities programs, including indicative estimates of project cost.
- (vi) Identify areas of follow up work by MOI-DOLA and ADB for detailed design and appraisal of possible assistance for building commune facilities and supporting infrastructure.