



Completion Report

Project Number: 47151-001
Technical Assistance Number: 8350
May 2017

Cambodia: Enhancing Project Implementation Capacity and Effectiveness

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TA Number, Country, and Name:			Amount Approved: \$225,000.00	
TA 8350-CAM: Enhancing Project Implementation Capacity and Effectiveness			Revised Amount: Not applicable	
Executing Agency: Asian Development Bank		Source of Funding: TASF-IV	Amount Undisbursed: \$51,772.21	Amount Utilized: \$173,227.79
TA Approval Date: 3 April 2013	TA Signing Date: 3 April 2013	Fielding of First Consultants: 15 January 2014	TA Completion Date Original: 31 December 2014 Actual: 31 May 2016 Account Closing Date Original: 31 December 2014 Actual: 19 July 2016	

Description

The technical assistance (TA) built on earlier work done through TA 7790-CAM: Enhancing Project Readiness and Effectiveness (closed on 23 September 2013) and develop synergies with ongoing ADB initiatives in improving portfolio and project implementation performance in the areas of procurement, public financial management and deconcentration and decentralization.¹ This was done in the context of the rapid expansion of official development assistance in Cambodia since 2009, following the global financial crisis. The TA was designed to support the government's strategy to maximize external funding and make aid more effective, as stipulated in its National Development Strategy 2011–2015. It was also reflected in ADB's Country Partnership Strategy 2011–2015 which emphasized the importance of a results-based approach to ADB interventions. Furthermore, it set out to coordinate with other development partners on building the capacity of executing and implementing agencies in implementing development partner funded projects.² The TA was also designed to assist the government in operationalizing its standard operating procedures (SOP), which was promulgated in 2012.

Expected Impact, Outcome, and Outputs

The intended impact of the TA was effective utilization of external funding. The expected outcome was improved portfolio performance of externally funded projects. The outcome was to be achieved through the following outputs: (i) mainstreamed procedures and good practices in the implementation of externally-funded projects; (ii) strengthened executing agency capacity in procurement, financial management and overall project management and administration, and (iii) knowledge products for improved implementation and development effectiveness.

Delivery of Inputs and Conduct of Activities

The Ministry of Economy and Finance (MEF) was the executing agency (EA). ADB recruited and supervised the work of individual consultants, providing 4.9 person-months of international consultant inputs and 5 person-months of national consultant inputs in the areas of institutional development, portfolio management, procurement, and financial management. The consultants were recruited by using individual consultant selection method. The EA, ADB and the consultants worked closely to prepare the training materials, and a total of thirteen (13) training courses and workshops were conducted during the course of the TA. The training courses focused on various aspects of project management (procurement, disbursement and financial management) and were attended by key project management unit staff of development partner funded projects from key ministries and provincial department staff. The workshops on audit, bid preparation and contract management were attended by representatives from private auditing firms and civil works contractors.³ The workshops for auditing firms introduced development partner expectations on the submission of audited project financial statements; for private contractors, the workshops greatly helped them in preparing bid documents and ensuring better quality submissions. The TA also developed a unified government chart of accounts that would also be mainstreamed into development partner funded projects to enable better tracking and monitoring of project expenditures, to which ADB agreed. Nine (9) quarterly procurement clinics were organized jointly by ADB, World Bank and JICA. The TA was extended two times from 31 December 2014 to 31 December 2015 and 31 May 2016 to complete pilot activities to develop and mainstream the government's new chart of accounts, and conclude the 2013 and 2014 joint country portfolio performance reviews together with MEF, World Bank and JICA. In addition, the consultants reviewed the project readiness filters indicated in the SOP and suggested revisions for improved upstream project processing work and advance actions to accelerate project implementation startup, which were completed within the original TA implementation schedule. Overall, the performance of the consultants was satisfactory. Performances of the EA and ADB were also satisfactory.

Evaluation of Outputs and Achievement of Outcome

The TA contributed to the operationalization of the SOP and built capacity of staff of key line ministries through the wider dissemination to key government ministries and the implementation of training programs. This contributed, to a large

¹ JFPR TA 8188-CAM: Strengthening Country Systems in Procurement and Financial Management (was closed on 29 February 2016); and Grant 0133-CAM: Public Financial Management Reform Program and Grant 0222-CAM: Public Financial Management for Rural Development Ministries Project (was closed on 10 February 2017).

² This includes, among others, the independent procurement assessment (World Bank), and capacity building for water supply by the Japan International Cooperation Agency (JICA).

³ This includes 3 (three) comprehensive project implementation and administration workshops using ADB standard materials and tailored to suit the local Cambodian context. The workshops were conducted in Khmer language.

degree, to portfolio improvements based on several indicators such as disbursement ratios and project startup compliance.⁴ However, given the large demand for project administration skills (including procurement and financial management), particularly at the subnational level, it was felt that more effort and resources were needed, which could not be met by TA resources alone. Overall the TA trained 1,052 staff from key executing agencies on various aspects of project administration, procurement, financial management, disbursement and auditing and benefited 325 representatives of private firms.⁵ Feedback received from participants indicated that more interactive training was needed, in terms of length, depth as well as coverage, to also include subnational/provincial implementing agency staff. The TA produced several reports, which included (i) review of project readiness filters and advance actions, (ii) training materials for procurement and financial management, (iii) joint country portfolio performance reviews (for 2013 and 2014), and (iv) mainstreaming the chart of accounts, which has now been operationalized in most development partner funded projects.

In several cases, suggestions for implementation of TA for various reasons were not taken up by the government. The TA, however, enabled advance actions and streamline project processing which are expected to have positive implications on project performance in the future. Due to the rapid expansion of the portfolio of development partners (particularly ADB's), the government's capacity to reduce implementation delays was rather limited, but as a whole, improvements on overall portfolio performance during 2014 were better compared to the previous years. Furthermore, the TA enabled collaboration among development partners and with government to harmonize procedures and implement the recommendations of the Joint Portfolio Performance Review Action Plan which produced key deliverables, namely guidelines on payment procedures, disbursements, and advance actions.

Based on participant evaluations, the training was useful and relevant to daily work in managing and administering projects as these were mostly interactive and hands-on. The TA provided support to the government for annual joint country portfolio performance reviews co-led by the World Bank and JICA which enabled policy dialogue on the government reforms, national development strategies and inclusive growth. The outcomes of these dialogues provided critical inputs to Cambodia's sector and national development plans and strategies.

Overall Assessment and Rating

The TA was relevant in linking to the government's strategies to enhance project processing and implementation as well as responding to implementation challenges identified in previous annual joint country portfolio performance reviews. Timing for the TA coincided with the period when ADB's Cambodia portfolio was rapidly expanding, from an annual average commitment of \$100 million to over \$150 million from 2010 to 2013. The design was simple and sought to address the issues identified in the joint country portfolio performance review, yet flexible to accommodate changes during the implementation of the TA, which included the need to develop a unified chart of accounts for government- and the development partner-funded projects. It was effective in achievement of outputs. In particular, the proposals on advance actions, although not incorporated in the government prakas (sub-decree), nevertheless were applied in the preparation of several projects. In addition, materials produced under the TA provided inputs to government discussions on public investment and portfolio management. The TA was efficient as the outputs were delivered with relatively limited inputs and time allocated. Sustainability of the results is likely, subject to the continued government commitment to allocate resources to improve portfolio performance. Overall the TA was successful.

Major Lessons

The TA provided several lessons for future development partner interventions in project administration and portfolio management. First and foremost is that collective action is beneficial in providing the needed leverage to development partners in encouraging executing and implementing agencies to undertake reform and improve aid effectiveness. Second is that outcome and impacts will need time to materialize and therefore the time frame needs to observe the changes that will require extension in its realization as TA investments will require time to materialize. Third is that capacity building is a process that requires time and resources which the TA alone cannot sufficiently address. However, the TA has provided the fundamentals of good practices in project implementation and portfolio management which will need further scaling up. Finally, training and capacity building programs will need to better target participants and develop tools to effectively evaluate the outcomes.

Recommendation and Follow-Up Actions

ADB and development partners will need to continue to emphasize portfolio performance improvements and build the capacity of its executing and implementing agencies. In parallel, continued commitment from government will be needed, particularly as grant funding for capacity building will likely decrease in the future.

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⁴ Ministry of Economy and Finance. 2013 Joint Country Portfolio Performance Review; and 2014 Joint Country Portfolio Performance Review

⁵ Of the 1,052 participants, 618 were males (68%) and 334 were females (32%); and 540 senior level officials attended high level joint country portfolio performance reviews and 442 project level staff attended training in specialized areas of project administration.