



KINGDOM OF CAMBODIA
Nation Religion King



Project to Support Democratic Development through Decentralization and Deconcentration (PSDD)

a project of the

**National Committee for Management of
Decentralization and Deconcentration Reforms
(NCDD)**

Supported by:

**United Nations Development Program
Swedish International Development Agency
United Kingdom Department for International Development**

2008 Annual Workplan and Budget

January 2008

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Abbreviations

C/S	Commune Sangkat Council
C/SF	Commune Sangkat Fund
CAR	Council for Administrative Reform
CAU	Contract Administration and MEI Unit (PRDC ExCom)
CDP	Commune Development Plan
CDPD	Commune Development Planning Database
CIP	Commune Investment Plan
DDLG	Democratic Development and Local Governance Project (EC-UNDP)
DfID	United Kingdom Department for International Development
DFGG	Demand for Good Governance Project (World Bank)
DFT	District Facilitation Team
DIW	District Integration Workshop
DOLA	Department of Local Administration
DOP	Department of Planning
DRD	Department of Rural Development
DRILP	Decentralized Rural Livelihoods Improvement Project
DSA	Daily Subsistence Allowance
DSP	Decentralization Support Project (UNDP)
DWVA	Department of Women's and Veteran's Affairs
EFMP	European Fund for Micro-Projects (EC-UNDP)
ExCom	Executive Committee (of M/PRDC)
FU	Finance Unit (PRDC ExCom)
IFAD	International Fund for Agricultural Development
LASED	Land Allocation and Socio-Economic Development Project (World Bank)
LAU	Local Administration Unit (PRDC ExCom)
M&E	Monitoring and Evaluation
M/PRDC	Municipal/Provincial Rural Development Committee
MEF	Ministry of Economy and Finance
MLMUC	Ministry of Land Management, Urban Planning and Construction
MoI	Ministry of Interior
MoP	Ministry of Planning
MRD	Ministry of Rural Development
MWVA	Ministry of Women's and Veteran's Affairs
NCDD	National Committee for Management of the Decentralization and Deconcentration Reforms
NCDD/TF	Task Force of the NCDD
NCDDS	Secretariat of the NCDD
NCDD/PST	Program Support Team of the NCDD
NCSC	National Committee for Support to the Communes/Sangkats
NGO	Non-Government Organization
NPRS	National Poverty Reduction Strategy
NRM&L	Natural Resource Management and Livelihoods Program (Danida-DfID)
OWSO	One Window Service Office
PFT	Provincial Facilitation Team
PID	Project Information Database

Abbreviations

PIF	Provincial Investment Fund
PLG	Partnership for Local Governance
RGC	Royal Government of Cambodia
RILGP	Rural Investment and Local Governance Project
SCD	Seila Contracts Database
Seila	A Khmer language word approximating to “foundation stone”
SIDA	Swedish International Development Cooperation Agency
STF	Seila Task Force
STFS	Seila Task Force Secretariat
TOR	Terms of Reference
TSO	Technical Support Official
TSU	Technical Support Unit (of ExCom)
UNDP	United Nations Development Program

1. Introduction

This document is the second Annual Workplan and Budget (AWPB) of the three-year Project to Support Democratic Development through Decentralization and Deconcentration (PSDD). PSDD is a project of the National Committee for Management of Decentralization and Deconcentration Reforms (NCDD) which was established by Royal Decree in August 2006. NCDD is mandated to oversee preparation and submission to the National Assembly of an Organic Law on Administration of the Capital, Provinces, Municipalities, Districts and Khans, and to manage ongoing decentralization and deconcentration (D&D) activities of the Royal Government of Cambodia (RGC) during the period leading up to the passage of the law. The NCDD assumed responsibility in January 2007 from the Seila Task Force for management of the resource mobilization and programming framework in support to D&D as well as for the portfolio of projects previously implemented by Seila including the PSDD project.

UNDP, Swedish International Development Agency (SIDA), and United Kingdom Department for International Development (DfID) have been partners since 2001 in support to the Royal Government's D&D reforms. Core support has been provided to the overall design, management, coordination and implementation of the evolving reforms and to the annual work plan and budget formulated each year by the national authorities and currently supported by 16 donors. The PSDD project is designed to assist RGC to address the challenges of D&D reform and to overcome resource constraints. In the first year of the PSDD project, resources were applied to ensuring an effective transition in national management arrangements, strengthening the harmonization framework, and maintaining and strengthening the structures and systems for sub-national development while at the same time assisting the NCDD to prepare for the future stages of the reforms.

The 2008 PSDD AWPB has been finalized immediately following the 3-6 December National Consultative Workshop on the Key Concepts of the Draft Law on Administration and Management of the Capital, Province, Municipality, District and Khan. As a result of the workshop it is now anticipated that the above law will be finalized and submitted to the Council of Ministers by end January/early February and adopted by the National Assembly by March 2008 ushering in a new era of sub-national governance in Cambodia over the next many years. The strategic work in 2008 associated with the design of the new national program on democratic development, the establishment of a new national management structure mandated by the new law and preparing for transition and implementation of the law and program in 2009 is full of opportunities and challenges which will only be clarified in time. The sudden acceleration in finalization of the organic law, nearly one year ahead of what was previously expected, has come at the very end of the work planning process for 2008. While the PSDD AWPB describes and analyzes the cross-cutting issues which form the context for PSDD-funded operations in 2008, and presents planned activities, achievement targets and resources allocated by project component and by expenditure category, an even greater level of flexibility will be required in 2008 to enable PSDD technical and financial resources to respond to opportunities and challenges as they arise and are clarified.

2. Context, Scope And Coverage

The basis of design of the Project to Support Decentralisation and Deconcentration (PSDD) is developed from, *inter alia*, the Royal Government of Cambodia (RGC's) *Strategic Framework for D&D* (2005) and a preliminary *Implementation Framework for Sub-national Democratic Development* (2006); the initiation of an *organic D&D law* drafting process; the establishment of the *National Committee for the Management of D&D* (NCDD) (2006); and preparatory work for a *national D&D reform program*.

The goal of PSDD is to contribute to poverty reduction. The project objective is improved sub-national governance. As agreed in the signed project document, the project has three components, with the following component objectives:

Component 1: Sustain structures and mechanisms as an interim solution until new structures are designed, mandated and institutionalised;

Component 2: Improved service delivery in terms of coverage, quality and poverty focus; and

Component 3: Support the design and implementation of a national plan for D&D on the basis of the Organic Law once it is adopted.

As agreed with the PSDD donors, during 2007 the project logframe was redesigned through the work of a DfID-recruited consultant and the PSDD M&E Advisor. The structure of the new project logframe is as follows:

Goal: Poor people benefit from functioning sub-national institutions in Cambodia;

Purpose: State and social institutions reconstructed at the sub-national level so as to engage with and empower poor and excluded citizens;

Output 1: Cambodian owned sub-national structure agreed and in place that promote voice, responsiveness, delivery capability and accountability;

Output 2: Systems developed and integrated into new national structures and systems;

Output3: Investment funds delivered through mechanisms that promote accountability (on-budget) and which enables debate (largely discretionary in nature to allow choice);

Output 4: Aid effective mechanisms in place.

While recognizing the challenges that result from a fundamental change in the project logframe in year two of a three year project with an ambitious goal and purpose, the NCDD PST, supported by PSDD advisors, will endeavour to adjust work planning and reporting around the new logframe structure. This 2008 AWPB has accordingly been prepared against the structure of the new outputs.

Under Output 1, resources are programmed to support the NCDD mandated structures which at national level are expected to undergo revision in 2008 following the adoption of the Organic Law and the establishment of a new National Council. Under Output 2, resources are programmed to support and strengthen both existing systems, many of which are expected to operate throughout 2008 and beyond, as well as the design of new systems in line with requirements and vision of the Organic Law. Under Output 3, resources are programmed to support a wide variety of services and investments financed through the various funding windows at commune, district,

province and national level as well as the programming of services and investments for 2009. Under Output 4, resources are programmed to support harmonization and aid effectiveness measures primarily through interaction with the formulation of the new national program.

The *PSDD is designed to assist RGC to meet its D&D reform challenges and constraints*. In so doing it will help RGC maintain the critical balance between change and continuity, particularly in its early phases. Subsequently, PSDD will support design and implementation of D&D reforms, progressive alignment of national and sub-national activities, and greater harmonisation of development partner support across all sectors.

To maximise *efficiency*, PSDD funds are programmed annually by NCDD through, and as an integral component of, the overall NCDD Annual Workplan and Budget. The preparation of the 2008 NCDD AWPB, which commenced at the October 2007 National Workshop on Formulation of the 2008 NCDD AWPB under the chairmanship of the Deputy Prime Minister, integrates resources for D&D and sub-national development investments from the RGC and 21 donor projects and has a total value in 2008 of approximately US \$ 70 million. Therefore, this PSDD AWPB must be understood as one of a number of AWPB documents specific to the various funding sources, which are subsumed within the overall NCDD AWPB.

The special role of PSDD is to support core costs at national and sub-national levels for both design and program operations and to provide discretionary resources for investments within the context of this harmonized framework. As demonstrated over the past seven years, support to the core program TA and operations costs through a single project results in improved coordination and reduced transaction costs; encourages donors to “buy in” to the harmonised systems at the sub-national level; and substantially reduces overall expenditure by participating donors on TA. The investment funds supported by PSDD resources are characterised by a high degree of flexibility and discretion in programming by sub-national governments. By contrast, most other funds are earmarked for specific purposes or allow restricted discretion for programming by sub-national authorities. The high level of discretion associated with the PSDD funds provides added flexibility and responsiveness to the whole system of sub-national planning and investment programming. Further details and analysis of the role of PSDD resources in providing unified and harmonized support to all program components appears as Section 3 and Section 4 of this AWPB.

In the second semester of 2007, strategic progress was made on both the drafting of the Organic Law on Management and Administration of the Capital, Provinces, Municipalities, Districts and Khans (hereafter referred to as the Organic Law) and the design of the Terms of Reference for the new national program on Sub-national Democratic Development. A summary of the Organic Law, outlining the key concepts and principles of the draft, was presented to a National Consultative Workshop on 3-6 December 2007 attended by senior officials from all Ministries and Provinces with representation from districts, Commune Councils, the development community and civil society. Based on the results of the consultations the draft law is expected to be finalized by end January and adopted by March 2008 prior to the final recess of the National Assembly in advance of the July 2008 elections. The Terms of Reference for the national program on D&D was drafted by the NCDDS in the third quarter of 2007 with technical support from PSDD, endorsed by development partners and approved by the Chairman of the NCDD on 15 January 2008. The design of the national

program is expected to be carried out throughout 2008 and approved by the Council of Ministers by the end of the year.

The finalization and adoption of the Organic Law and the design of the new national program in 2008 provide a historic opportunity to solidify the D&D reforms in Cambodia; establish a long term framework for strengthening governance and local development; further harmonize the substantial and increasing levels of external financial support around reformed governance structures and systems; begin the process of functional and budgetary reassignments to sub-national administrations; and transform 10 years of experience in sub-national management into a new regulatory framework governing sub-national development. The challenge to the NCDD in finalizing the Organic Law; designing the new national program; defining a sequenced approach to the formulation of new national and sub-national structures and a new regulatory framework for sub-national governance; maintaining momentum and consolidating the vast array of project based initiatives contained within the overall \$ 70 million, 2008 NCDD AWPB; and preparing a transitional work plan for the start of the new national program in 2009 can not be underestimated. Managing expectations and ensuring close cooperation, flexibility and understanding with development partners will be essential for all of this work to be undertaken.

As the forward momentum on the Organic Law materialized towards the end of the 2008 programming period, it has not been possible for the 2008 PSDD AWPB to fully take into account the evolving challenges that will be faced in 2008. As the seven month, national program design process represents the highest priority activity focusing on the comprehensive design of the future reforms it will be important for all development partners to consolidate and coordinate around this unified process ensuring that the NCDD design team is not overburdened with specific project demands. To the maximum extent possible, policy and system related studies carried out with the NCDD should be complimentary to the design process. Inevitably there will be unforeseen opportunities requiring additional financing for which additional funds can hopefully be secured.

Notwithstanding the above, the 2008 PSDD AWPB represents a full annual program of support to the NCDD including: harmonized technical and financial support for overall implementation of the 2008 NCDD AWPB and the portfolio of projects directly implemented by the NCDDs/PST; support to implementation of the 2008 CS Fund and to planning for the 2009 CS Fund; a wide variety of governance and investment initiatives at province and district level; a variety of M&E studies focused on measuring both impact and formative processes at local level; strengthening of national MIS systems; studies on technical assistance and incentive schemes which will contribute to the design of the new national program; ongoing review and revision of implementation systems and procedures as well as a review of the district initiative; new initiatives in strengthening the focus on social development; and support for strengthening harmonization with the addition of several new projects within the NCDD portfolio.

The overall scope of PSDD support remains nationwide including all 24 provinces/municipalities, all 1,621 communes/sangkats and 70% of the districts/khans. The intensity of PSDD funded activities will vary depending upon the situation and expressed needs of each province/municipality, the overall intensity of D&D program investment in that province and the level of technical assistance provided by other donors.

3. Resources And Programming

3.1 Resources

The PSDD Project is financed by three donors: Swedish SIDA, UK-DFID and UNDP. The total funding of US \$ 11.7 million available to PSDD in 2008 is shown in Table 1 below.

Table 1: 2008 PSDD Resources for Programming

DONOR	TOTAL	%
United Kingdom/DfID	5,200,000	44%
Sweden/Sida	4,600,000	39%
UNDP	1,200,000	10%
2007 Carryover	700,000	6%
TOTAL	\$ 11,700,000	100%

UNDP will charge a service fee of 4% for management of the PSDD trust fund and provision of lead agency services equivalent to \$ 440,000. Therefore, the amount available for programming is \$ 10,960,000.

3.2 Programming Through the NCDD AWPB

In line with the long established, annual programming process, between August-September 2007, the NCDD/PST coordinated the effort to obtain information from 16 donors on their expected resource allocations through 21 individual projects in 2008. During this same period, two meetings were convened between the NCDDS, PST and PSDD donors to discuss the initial allocations of PSDD resources in 2008 in light of the overall NCDD 2008 resource picture. The National Workshop on Formulation of the NCDD 2008 AWPB was held on 2-3 October 2007 in Phnom Penh presided over by the Deputy Prime Minister, NCDD Chairman. The workshop, attended by senior officials, members of the NCDD and representatives from all 24 provinces/municipalities, presented detailed information on the estimated allocation of approximately \$ 70 million in 2008 and provided strategic programming guidance to the sub-national authorities. At sub-national level, resources were programmed between October and December through the regulated planning processes and including the District Integration process in all 185 districts. Various adjustments to the initial PSDD allocations were made through a series of consultations in November 2007 based on updated information regarding resource availability. A first draft of the 2008 PSDD budget and proposed activities was presented at a meeting with the NCDDS in mid-December 2007 and on the basis of agreements reached the work plan document has been prepared.

The PSDD resources are an integral part of the overall NCDD Annual Workplan and Budget and as such are programmed within the general NCDD AWPB categories of national and sub-national program support; sub-national investments and technical assistance. A summary of the 2008 allocation of PSDD resources within the overall 2008 NCDD AWPB financed by the RGC and 16 development partners is provided in Table 2 on the following page.

Table 2: Programming of PSDD Resources in the 2008 NCDD AWPB

Budget Components	NCDD AWPB TOTAL	%	PSDD TOTAL	PSDD %	PSDD/ AWPB
NCDD AWPB Category: Investments					
CS Fund	22,969,136	33%	500,000	4%	2%
CS Targeted	11,152,146	16%	300,000	3%	3%
District Initiative	4,512,336	6%	350,000	3%	8%
Provincial Investment	8,822,105	13%	1,800,000	15%	20%
National Ministry Services	4,947,372	7%	500,000	4%	10%
subtotal	52,403,095	75%	3,450,000	29%	7%
NCDD AWPB Category: Program Support					
Provincial Program Support	4,925,507	7%	3,636,530	31%	74%
National Program Support	1,279,300	2%	650,000	6%	51%
subtotal	6,204,807	9%	4,286,530	37%	69%
NCDD AWPB Category: Technical Assistance					
Provincial Advisors	2,513,080	4%	1,799,500	15%	72%
National Advisors	4,602,700	7%	1,073,000	9%	23%
Consultancies/Studies	3,859,533	6%	560,000	5%	15%
subtotal	10,975,313	16%	3,432,500	29%	31%
Service Fees and Reserve					
UNDP Service Fees	440,000	1%	440,000	4%	100%
Reserve	53,470	0%	90,970	1%	170%
TOTAL	\$70,076,685	100%	\$11,700,000	100%	17%

The programming of PSDD allocations for all budget categories was carried out through consultations between the NCDDs and the PSDD donors and followed both the revised logic of the PSDD project and long established criteria and guidelines. A brief explanation of the PSDD 2008 allocations and how they were programmed is provided below.

CS Fund: The allocation to the 2008 CS Fund remains at the same level as in 2007; equivalent to \$ 500,000. The allocation to the CS Fund ensures that PSDD retains a vested interest in the CS Fund while enabling other under-funded categories to be supported. The overall CS Fund in 2008 has been set at nearly \$ 23 million; an average of \$ 14,200 per CS Council. On top of this, the additional, targeted allocations to CS Councils from other donor projects have considerably increased in 2008 reaching a total of \$ 11 million. Combining the two categories together, there is a total of nearly \$ 34 million allocated to CS Councils in 2008; an overall average of just under \$ 21,000 per CS Council. Finally, owing to the delay in the 2007 CS Fund implementation cycle due to the timing of the April 2007 CS elections, it is anticipated that there will be a considerable carry over of CS funds into 2008 to complete 2007 CS Fund projects. As such, the overall resources available to the CS Councils in 2008 will be considerable. PSDD support to CS Fund operations in 2008 will remain a high priority including substantial allocations for program support, capacity development, monitoring, accountability and reporting on both the overall CS Fund as well as the significant contributions from the WB RILG, Danida/DfID NRML, IFAD/RPRP and other projects.

CS Targeted: An additional allocation of \$ 300,000 will be made to support the newly established CS Women and Children Committees in 1,200 CS Councils in 18 provinces not covered by UNICEF. It is intended that this assistance will be provided in the form of a categorical grant specifying the nature of the funding, conditions of access including preparation of a work plan with specific outputs and operational and accounting modalities. At the time of finalizing this AWPB, work is proceeding on the drafting of the categorical grant to the CCWCs which will need approval by NCDD, MEF and National Treasury. A total of \$ 200 per CCWC will be allocated, channelled through the National Treasury and the CS Fund system. Approximately \$ 50,000 will be reserved for training and possible support to specific activities for those CCWC who demonstrate best practise and formulate proposals.

District Initiative: As clearly indicated by the Deputy Prime Minister in his closing speech at the 2007 National Workshop on Formulation of the 2008 NCDD AWPB, the portfolio of projects focused on the District/Khan have been designed in accordance with the government's longer term vision on the future role of the District/Khan and are providing valuable experience in the lead up to the Organic Law and the new legal framework that will be established. The District Initiative, designed by the Ministry of Interior with technical support from PLG, is supported by three donor projects; Danida/DfID NRM in D&D, EC/UNDP DDLG and the PSDD. In 2007, the District Initiative guidelines were revised following a series of reviews in the field and two workshops organized at national level including all provinces. The guidelines provide for a common planning and prioritization process for all three projects while implementation arrangements for the DDLG project focuses exclusively on contracts managed by inter-commune project committees. As such, the support for strengthening the capacity of the District Committee, comprising representatives from all CS Councils, and the District Permanent Committee, comprised of district officials charged with management functions, is exclusive to the NRM in D&D and PSDD projects. With the recent enhanced clarity on the organic law and the intention for District Councils to be indirectly elected and unified District Administrations to be gradually established in 2009, the work carried out under the District Initiative in 2008 has taken on even greater strategic importance. As such all internal and external reviews undertaken in 2008 must be forward looking with a view towards assisting the government to identify, and begin the design of, a variety of regulations that will be required for implementation in 2009. Following discussions with PSDD donors, it has been agreed that in 2008 a PSDD allocation of \$ 350,000 for 28 target districts in 14 provinces will remain the same as in 2007. It was also agreed to give added emphasis to the service delivery component.

Provincial Investment Fund (PIF): The 2008 allocation to the Provincial Investment Fund remains the same as in 2007; equivalent to \$ 1.8 million. Individual provincial allocations are based on a formula using a base rate and population density. The NCDD announced the PIF allocations at the October 2007 National Workshop and the PIF resources were subsequently programmed by each province against established criteria and guidelines including the District Integration Workshop process between October and December. The PIF continues to be the only fully discretionary resources allocated to the provincial level and the management functions and systems applied continue to generate valuable experience and capacity for the future role of the province under the reforms. As with the District Initiative, it will be necessary to take a forward looking approach to the PIF in 2008 in preparation for transition in 2009.

Provincial Program Support: The 2008 allocation to provincial program support of \$ 3.64 million represents a slight increase compared to 2007 in numerical terms but as the 2007 allocation covered only 11 months, on a pro rata basis the allocation is virtually the same. Allocations by the NCDD are based on approved administrative guidelines, standard unit costs, a variety of formulae based on the number of administrative units and staff required and in light of specific allocations to target provinces provided by other donor projects. While the volume of work, volume of resources and number of projects utilizing the PRDC Executive Committees has grown considerably over the past two years the overall budget allocations have remained fairly constant and in some cases even reduced. The rising cost of fuel and materials and the closing of the IFAD/CBRD project which provided the majority of ExCom financing in two provinces have added an additional strain on resources. While additional resources were mobilized from other donors through discussions in October and November, for the most part these funds will cover incremental costs and do not represent a net savings. The NCDD highly appreciates the understanding of the PSDD donors who will continue to finance 75% of the overall provincial program support costs in 2008 which represent 7% of the overall NCDD AWPB resources. Managerial, coordination, financial management, training and other support services provided by the 24 provincial/municipal Executive Committees are instrumental to maintaining program coherence, harmonization and cost efficiency and benefit all 16 donors contributing to the 2008 NCDD AWPB. Again, attention must be given in 2008 to the transition ahead in 2009 with regard to provincial administration structures and systems required under the organic law that will enable implementation to proceed in 2009.

National Ministry Services and NCDD Sub-Committees: In mid-2007, the NCDD established five sub-committees related to fiscal decentralization, powers and functions, land use planning and boundary demarcation, human resource development and planning. Each of the sub-committees is chaired by a lead Ministry with the appropriate mandate and all of these Ministries have been receiving annual allocations from PSDD for the past several years. As such, the overall 2008 allocations of \$ 200,000 for NCDD Sub-Committees and \$ 300,000 for Ministries amounts to \$ 500,000; equivalent to the 2007 National Ministries allocation. Those Ministries leading a sub-committee will receive allocations within the context of the sub-committee mandate. Owing to the priority attention given to the National Consultative Workshop on the Organic Law in November and early December, the allocations to National Ministries and NCDD Sub-committees have not as yet been programmed. In some measure this is fortunate as the nature of the work required at national level in 2008 has dramatically changed following the acceleration of the organic law. It is now expected that the priorities and criteria for programming of these resources will be reviewed in light of the organic law during the month of January; meetings with key Ministries convened in late January 2008 to discuss work planning and budgeting; and contracts finalized by February to support the implementation of a wide variety of activities related to policy formulation, program design, functional reviews, capacity development and national supervision in accordance with NCDD sub-committee and national ministry mandates.

National Program Support: The agreement by the PSDD donors to maintain an allocation of \$ 650,000 for the NCDDS/PST program support costs in 2008 is also highly appreciated by the NCDD. Owing to the core role played by the NCDDS/PST in coordinating overall preparation and implementation of the NCDD AWPB; directly implementing the PSDD, WB/RILG, Danida-UK/NRM in D&D and a component of the IFAD/RPRP projects; overseeing the sub-national management structures and systems utilized by all donors; and responding to requests at short notice for support to priority activities identified by the NCDD, the PSDD resources are instrumental in overall program management. The PSDD allocation currently represents 90% of the total financial support to the NCDDS/PST in 2008. As new projects adopt the NCDDS/PST for implementation purposes, all incremental costs associated with the increased workload are borne by the project concerned. While the additional work required by the NCDD Secretariat in relation to the organic law, national program design and the TWG will need additional and separate resources, undoubtedly the national program support budget will enable some of this work to be undertaken.

Technical Cooperation: An allocation of approximately \$ 3.4 million in 2008 for technical cooperation includes: nearly \$ 3 million under UNDP administration and \$460,000 for consultancies administered by the PST. The harmonized PSDD technical support services provide core support to the NCDD, its Secretariat and Program Support Team, key Ministries and to the 24 provincial/municipal management structures in support to overall program formulation, management, implementation, monitoring and accountability. The compliment of PSDD advisory teams at all levels is determined by: core requirements, assessed needs and individual agreements with cooperating donors. Against the total 2008 NCDD sub-national budget of \$ 52.5 million, the allocation of PSDD sub-national technical assistance represents 3%. Against the total 2008 NCDD AWPB, the total PSDD allocation for technical assistance represents 4%. As noted by the Senior Minister, Minister of Economy and Finance in his opening speech at the National Workshop on Formulation of the 2008 NCDD AWPB, these are very favourable figures in the context of technical cooperation in Cambodia. It should be highlighted, however, that the acceleration of the Organic Law and some of the preparatory work that will undoubtedly be required in 2008 in preparation for 2009 implementation of the law and national program has not been fully factored into the PSDD technical assistance requirements within this document. It is considered, therefore, that proposals for additional technical assistance in 2008 be discussed through the framework of the TWG in consultation between the NCDD Task Force and the development partner group.

Reserve: Finally, a reserve of roughly \$ 91,000 is included in the 2008 budget which may change depending on the final disbursement figures for 2007.

Section 4.0 of this document provides more details of the role of PSDD resources within the harmonised framework of the NCDD AWPB. Section 5.0 describes in detail the programming of resources against the PSDD logframe outputs.

4. Harmonized PSDD Support to the NCDD AWPB

4.1 Harmonized Programming of Resources

4.1.1 Role of PSDD Resources

As expressed in the PSDD Project Document, approved by the NCDD on 22 January 2007, PSDD resources are programmed to provide harmonized support to the NCDD's AWPB for maintaining and strengthening existing structures and systems for decentralised development; improving investments and service delivery at sub-national levels and to the design and implementation of a national program for D&D. Under the investment and service delivery component, in 2008 PSDD resources continue to represent the only additional, external budget support to the RGC's Commune/Sangkat Fund; the PSDD contribution to the District/Khan Initiative has been harmonized with the resources provided through the Danida-UK NRML and the EC-UNDP DDLG projects; and the PSDD contribution to the Provincial Investment Fund, allocated by formula to all 24 provinces, represent the only un-earmarked, discretionary resources programmed directly by the provincial authorities. For maintenance and strengthening of structures and systems, PSDD resources have been allocated for core program operations costs and technical assistance in relation to the overall requirements of 12 of the 16 donors supporting the NCDD at both national and sub-national levels.

PSDD funded advisors continue to be instrumental in assisting the government and donors to design their individual support projects ensuring that the principles of harmonization are followed. In all cases the use of the NCDD systems, owned and operated by government, is a precondition for partnership agreements covering the areas of financing, planning, programming, budgeting, contracting, implementation, overall reporting and auditing. Owing to this adoption of common systems, the core advisory services supported by PSDD funds at national and provincial level will be able to provide harmonized support for the programming, budgeting, financing and implementation for all sources of funds. The savings in technical assistance that results from this harmonized approach, as opposed to stand alone projects, is conservatively estimated at US \$ 2 million per year. The program support budgets at national and provincial level for overall execution of the NCDD AWPB are also harmonized resulting in additional savings.

Against the total US \$ 70 million, 2008 NCDD AWPB, the PSDD contribution of US \$ 11.3 million represents 16%; a 5% decrease from the the percentage in 2007. This is a reflection of the increase in financing from other sources rather than a change in the PSDD budget. At sub-national level, PSDD allocations represent 13% of the overall \$ 52 million allocated as of December 2007. The PSDD resources cover 70% of the core technical cooperation and 75% of the overall program support costs while the national budget and other donor partners cover 90% of the investment funds. This is reflected in Table 3 below which presents the NCDD donor portfolio in 2008 and the provinces covered by individual donor projects. A brief description of the harmonized partnership arrangements for components/projects under the NCDD framework in 2008 follows.

Table 3: Scope of Sub-National Activities supported by PSDD

No	Province	D/K	C/S	Population	Provincial Program Size (USD)	PSDD %	RGC % ¹	WB % ²	IFAD %	UNICEF %	NRM&L %	EC-UNDP	Canada	ADB	Other %	# PSDD Advisors
1	Banteay Meanchey	8	64	675,463	1,653,612	18%	41%	24%	0%	0%	0%	0%	6%	11%	1%	6
2	Battambang	13	96	948,706	4,933,139	8%	19%	10%	0%	0%	0%	28%	6%	24%	5%	8
3	Kampong Cham	16	173	1,746,612	4,965,116	11%	36%	23%	0%	0%	23%	4%	0%	0%	2%	8
4	Kampong Chhnang	8	69	444,475	1,673,337	16%	36%	18%	0%	0%	0%	10%	0%	21%	0%	6
5	Kampong Speu	8	87	690,963	2,936,593	10%	31%	15%	0%	12%	23%	0%	0%	8%	0%	6
6	Kampong Thom	8	81	624,846	2,297,104	13%	33%	19%	0%	15%	0%	0%	0%	15%	4%	4
7	Kampot	8	92	575,013	1,696,269	20%	44%	21%	0%	0%	0%	0%	0%	15%	0%	4
8	Kandal	11	147	1,185,791	3,221,482	14%	42%	23%	0%	0%	0%	6%	0%	12%	3%	7
9	Koh Kong	8	33	130,562	1,044,586	20%	22%	11%	0%	0%	37%	9%	0%	0%	1%	5
10	Kratie	5	46	285,251	1,783,111	11%	22%	26%	14%	0%	25%	0%	0%	0%	1%	8
11	Monduliri	5	21	47,391	793,617	19%	18%	9%	0%	0%	43%	0%	0%	10%	2%	5
12	Phnom Penh	7	76	1,001,951	1,668,974	20%	74%	0%	0%	0%	0%	6%	0%	0%	0%	6
13	Preah Vihear	7	49	141,749	1,082,353	22%	34%	16%	29%	0%	0%	0%	0%	0%	0%	8
14	Prey Veng	12	116	1,065,550	4,407,915	8%	27%	14%	33%	10%	0%	4%	0%	0%	3%	9
15	Pursat	6	49	385,301	3,003,312	7%	16%	8%	0%	0%	15%	0%	0%	50%	4%	5
16	Ratanakiri	9	49	124,403	1,983,960	12%	18%	8%	14%	0%	32%	5%	0%	10%	0%	8
17	Siem Reap	12	100	776,978	3,983,479	9%	23%	12%	0%	0%	18%	0%	0%	37%	1%	6
18	Sihanoukville	3	22	173,904	866,936	18%	21%	18%	0%	0%	32%	11%	0%	0%	0%	5
19	Stung Treng	5	34	92,870	837,610	23%	27%	13%	0%	24%	0%	0%	0%	12%	0%	5
20	Svay Rieng	7	80	529,531	3,045,137	9%	24%	11%	35%	12%	0%	4%	0%	0%	5%	8
21	Takeo	10	100	881,940	2,532,294	15%	40%	20%	0%	0%	0%	7%	0%	10%	9%	6
22	Otdar Meanchey	5	24	144,371	765,645	24%	28%	14%	0%	23%	0%	0%	0%	10%	0%	5
23	Kep	2	5	34,065	375,657	25%	10%	5%	0%	0%	38%	0%	0%	21%	0%	2
24	Pailin	2	8	54,203	530,336	25%	14%	7%	0%	0%	0%	0%	23%	30%	1%	2
	All provinces	185	1621	12,761,889	52,081,573	13%	30%	15%	6%	4%	10%	5%	1%	13%	2%	142

* Program Size is total funds allocated at provincial level by all projects under the NCDD AWPB framework

1 Domestic Revenue portion of C/S fund and counterpart contributions to IFAD loan projects.

2 Estimated share of CS Fund expenditures reimbursed by RILGP

4.1.2 RGC/CS Fund

The Royal Government's Commune Sangkat Fund represents one of the major achievements over the last five years of the reform process and is today perhaps the single most efficient component of the national budget in terms of predictability and transparency. While in 2008, the PSDD contribution to the CS Fund represents only 2% of the US \$ 23 million total, PSDD support to CS Fund operations in 2007 will be comprehensive. PSDD funded advisors support: the MEF for the annual programming of the CS Fund allocations to individual communes; the National and Provincial Treasury in financial accounting and reporting; the MoI DoLA in design of annual training plans and national supervision of the CS Fund; and the 24 provincial ExComs who provide services to all 1,621 CS Councils throughout the year.

4.1.3 WB/Rural Investment and Local Governance Project

In 2007, a grant of \$ 37 million for additional financing of the World Bank RILGP was approved. The closing date for the original credit was extended in line with the additional financing to 2010. Under the agreement reached for the additional financing, the coverage of the RILGP will be expanded from the current 14 provinces to 23 provinces beginning in 2008. An estimated total of nearly \$ 8 million of local investment against the 2007 CS Fund is expected to be disbursed, accounted for, reported to the Bank and reimbursed to government in 2008. In addition to the comprehensive support to the CS Fund, as described above, PSDD support to the WB/RILGP through the NCDD/PST is comprehensive, including: preparatory training for the ExCom officials in the 9 new project provinces in 2008, the preparation of the RILGP annual work plan and budget; the design of TORs for consultancies and studies; the scheduling of supervision missions and the facilitation of inter-Ministerial consultations for the resolution of issues identified by supervision missions; the preparation of withdrawal applications forwarded through MEF to the World Bank; and communications throughout the year with the WB task manager. The availability of PSDD funded advisory teams at national and provincial level has enabled the vast majority of the RILGP funds to be programmed for investment.

4.1.4 International Fund for Agriculture Development (IFAD)

Over the past seven years, IFAD has been supporting pioneering work in the field of D&D agricultural development. In 2008 there will be two IFAD projects under implementation in five provinces utilizing the NCDD sub-national systems and structures with a combined budget of roughly US \$ 4.5 million. The seven-year, Rural Poverty Reduction Project (RPRP) is entering its fifth year of implementation and the Rural Livelihood Improvement Project (RULIP), approved in 2007, will begin its first full year of implementation. The seven-year Community Based Rural Development Project (CBRD) effectively came to an end in 2007. The lead agency responsibility for both the RPRP and RULIP Projects rests with the Ministry of Agriculture with the NCDD playing the role of cooperating agency. Both projects benefit from harmonized PSDD support. Under a cost sharing agreement between IFAD and UNDP for the RULIP project, additional UNDP resources have been added to the PSDD project in order to provide agricultural TA in the three target provinces and at the level of the Ministry in a similar way as has been provided to the RPRP project over the past five years. PSDD funded technical support to the Ministry of Agriculture in 2008 will consist of one international advisor, cost-shared between IFAD and PSDD, and three national advisors. At provincial level, there will be ten national agriculture advisors supporting D&D agriculture in five provinces. In line with cost-sharing arrangements,

in 2008 IFAD will contribute US \$ 360,000 to program support costs in the five provinces.

4.1.5 Danida-Dfid/Natural Resource Management and Livelihoods Project (NRM&L)

The Danida-Dfid NRM&L program, which commenced in 2007, includes a five-year NRM in D&D Component signed with the NCDD budgeted at US \$ 20 million. The NRM&L D&D component is executed by the NCDD, fully adopts the harmonized NCDD systems and benefits from comprehensive support from PSDD advisory services at national and provincial level. In 2008, a total of \$ 4.85 million has been programmed under the NRM in D&D component with over 90% allocated to investment at commune, district and province levels. PSDD funded advisors are instrumental in program design; preparation of annual work plans and budgets; design of training programs; facilitation of assessment missions; preparation of TORs for advisors, consultancies and M&E studies; and support to implementation. There are only 2 NTA dedicated to supporting the NRM in D&D component, both at national level, and only limited program support financing. Given the scale of the project, 500 communes, 66 districts and 10 provinces, and the complexity of the issues surrounding natural resource management, the level of support is considered grossly inadequate. It is hoped that the donors concerned can review the needs and ameliorate the situation.

4.1.6 EC-UNDP/Democratic Development and Local Governance (DDLG)

The DDLG project is executed by the Ministry of Interior and focused on strengthening the Associations of Commune Councils and financing of inter-communal investments at local level. In 2008 roughly \$ 3 million has been programmed under the DDLG project with \$ 1.7 million representing allocations to sub-national level primarily for investment. For the investment component, the project has adopted the harmonized NCDD systems and benefits from comprehensive PSDD support at sub-national level. In line with cost-sharing arrangements, in 2008 the project will contribute approximately US \$ 170,000 to program support costs in the ten target provinces.

4.1.7 EC-UNDP/European Fund for Micro-projects (EFMP)

The EFMP is a two year project executed by PRDC Battambang under direct agreement with UNDP. The project is focused largely on infrastructure improvements in four districts of Battambang province. The project has adopted the harmonized NCDD systems at sub-national level and benefits from comprehensive sub-national PSDD support. In 2008, a total of \$ 1.5 million has been programmed at subnational level including roughly \$ 180,000 for program support costs related to EFMP project implementation as well as two NTA who are coordinated under the PSDD advisory arrangements.

4.1.8 UNICEF/Seth Koma

Following the transition from Seila to the NCDD, in 2007 a guideline on cooperation between the NCDD and UNICEF for implementation of the Seth Koma program was approved to replace the previous MoU. The UNICEF Seth Koma program largely adopts the harmonized NCDD systems in the six target provinces. Against annual work plans and budgets signed between UNICEF and the six provinces, UNICEF directly manages the transfer of funds for implementation but relies on PSDD funded advisory services in the six provinces for comprehensive support to the ExComs for

financial management, contracting, monitoring, implementation and reporting. Through the partnership, PSDD funded TA assumes the primary role for support to sub-national execution while UNICEF funded TA focuses on policies and strategies for mainstreaming social development at province and commune level. In 2007, the NCDD Contract Data Base was revised to accommodate the structure and outputs of the Seth Koma program and in 2008 all contract design, implementation and reporting will use this unique system. Close collaboration between UNICEF and the PSDD funded advisors at the Ministry of Interior focuses on the design of training programs, the adaptation of regulations to promote social development and in 2008 the expansion of the CCWCs to the entire country. In 2008, roughly \$ 2.8 million has been programmed under the Seth Koma program. UNICEF is contributing US \$ 60,000 to finance core program support in six provinces in addition to \$ 270,000 of project specific support through the ExComs.

4.1.9 Government of Canada/Agriculture Development in Mined Areas of Cambodia (ADMAC)

The four-year Canada-funded ADMAC Project is entering its third year of implementation in three heavily mine-affected provinces in the northwest. The project is executed by the Ministry of Agriculture in the same manner as the IFAD projects, fully adopts the harmonized NCDD systems and benefits from comprehensive PSDD funded advisory services at both national and provincial level. Specific PLG advisors assigned to support implementation include one national advisor in the Ministry of Agriculture and two agriculture advisors at provincial level. In 2008, a total of \$ 570,000 has been programmed under ADMAC and Canada will contribute US \$ 13,500 of program support to the three ExComs in the project coverage.

4.1.10 New World Bank Projects: LASED and DFGG

In 2007, two new World Bank projects have been formulated with the Ministries of Interior and Land Management both of which include components that will be managed through the NCDD/PST. The Land Allocation for Socio-economic Development Project (LASED), under the Ministry of Land Management, was appraised in December 2007 and includes a component of sub-national investment to support the planning and resettlement of poor families under social concessions. In agreement between the NCDD and the Ministry of Land Management, this investment component will be channeled through the NCDD/PST for which all incremental program support and technical assistance costs at national and sub-national level will be covered by the project.

The Demand for Good Governance Project (DFGG), underwent pre-appraisal in December and includes a One Window Service Office component which will also be executed by the NCDD/PST with all incremental program support and technical assistance costs covered by the project.

At the request of the NCDD, PSDD advisors have played an instrumental role in the design of these two components throughout 2007. The LASED project is expected to commence implementation in July 2008 while the DFGG project is expected to have a large preparatory assistance grant in 2008 with the expected date of effectiveness in January 2009. Final budget figures for 2008 under both of these projects are not yet determined.

4.1.11 New UNCDF Project: IDLD

In 2007, the UNCDF has designed a new, three year project, Innovations in Decentralized Local Development (IDLD), which is expected to be approved in January 2008 and commence implementation by the second quarter. The project will be implemented by the NCDDS and utilize the NCDD structures and systems at national and provincial level. At sub-national level, the project will benefit from comprehensive PSDD funded advisory services.

4.1.12 PSDD Support to Other Donor Projects

The remaining donor projects under the 2007 NCDD AWPB include the ADB's Commune Council Development Project (CCDP2) and Tonle Sap Sustainable Livelihoods Initiative (TSSL); the USAID/PACT Local Administration and Reform Project (LAAR); and decentralization initiatives by UNFPA and GRET. With the exception of GRET, these projects do not as yet utilize the NCDD structures and systems for implementation. As such, while no formal arrangements exist for PSDD resources to be used in support of these projects, a modest amount of PSDD support is nevertheless provided both at national and sub-national level, for overall coordination and harmonization. Finally, PSDD funded advisors spend considerable time and energy assisting a wide variety of donor design missions providing advice and experience particularly related to execution arrangements and systems with the overall objective of reducing transaction costs and duplication related to external assistance.

4.1.13 Summary Analysis of PSDD Harmonized Support to the 2008 NCDD AWPB

To better reflect the range of support provided to the various funds and projects within the 2008 NCDD AWPB, a detailed analysis of the PSDD program support and technical assistance budgets at both national and sub-national level that can be attributed to support of the CS Fund and other donor projects within the NCDD portfolio was carried out. Table 4 reflects the result of this analysis with the provision of PSDD program support and advisory services allocations broken down by source of funding. For the purposes of this analysis, the total contribution from PSDD has been included in the individual components/projects with the PSDD contribution then expressed as a percentage. As such, the total PSDD support to other components/projects has been subtracted from the total PSDD project cost at the end. It is important to note that this analysis does not reflect the manner in which harmonized support is managed or the manner in which PSDD funded advisors operate. With the exception of agriculture, there are no specific earmarking of PSDD support to individual donors and the provision of PSDD technical assistance and program support is planned and managed in accordance with the overall requirements at national and sub-national level.

Table 4: Programming of PSDD Resources in the 2008 NCDD AWPB

Fund	Province	2008 Budget	PSDD Program Support and TA			
			Program Support	TA	Total	% of total
RGC	24	22,582,224	751,035	336,277	1,087,311	15%
WB-RILG	23	10,982,150	710,680	359,432	1,070,112	15%
IFAD-RPRP	2	2,625,457	74,664	119,686	194,349	3%
IFAD-RULIP	3	1,083,570	110,281	183,267	293,548	4%
Danida/UK/NRML	10	6,600,000	282,256	277,059	559,315	8%
EC-DDLG	10	2,954,000	114,513	33,410	147,923	2%
EC-EFMP	1	1,476,400	20,900	25,000	45,900	1%
UNICEF-SK	6	2,663,500	53,481	79,281	132,762	2%
CANADA	3	565,164	63,914	50,493	114,407	2%
Others	24	7,757,620	184,139	273,631	457,770	6%
Subtotal		59,290,085	2,365,863	1,737,534	4,103,397	56%
PSDD	24	3,450,000	1,920,667	1,258,466	3,179,133	44%
Grand Total		62,740,085	4,286,530	2,996,000	7,282,530	100%

The analysis reveals the following:

- Total PSDD program support and technical assistance for the NCDD structures amounts to \$ 7.3million. Of this total, an estimated \$ 4.1 million, or 56%, is programmed for harmonized support to other components/projects under the NCDD framework.
- The balance of the total, \$ 3.2 million or 44%, can be considered as funds directly related to PSDD funded project investments, services, support and policy initiatives.
- On average, the PSDD support in 2008 to other components/projects represents 9% of the individual component/project cost.
- Twelve of the twenty one projects under the NCDD framework in 2008 have no technical support programmed at sub-national level and only a modest level of provincial program support and as such are fully reliant on the proposed support from PSDD resources for implementation.
- For the CS Fund, planned support from PSDD resources in 2008 has been broken down by the three sources of funds: World Bank/RILG in 23 provinces amounting to US \$ 7.9 million in reimbursements; PSDD's contribution of US \$ 500,000 which amounts to budget support; and the balance of US \$ 14.6 million from the RGC National Budget. The calculation of program support and technical assistance to this component takes into account the comprehensive PSDD support to decentralization including support to policy, regulations, design of national training programs, national supervision, national CS Fund management and accountability under the NCDD and provincial support to training, facilitation, technical services, monitoring, reporting and accountability in all 24 provinces.

4.2 PSDD Funded Advisory Services, Rationale and Staffing Plan

At the request of the PSDD donors a separate PSDD Advisory Services management plan is under preparation which will be attached as an annex to this document. Below is a summary description of overall PSDD advisory services planned for 2008.

4.2.1 PSDD Allocation for Technical Assistance

At the September 2007 NCDDS-PSDD donor programming meeting, the NCDDS requested that the number of advisors at national and sub-national level not be reduced in 2008. It was recognized that the volume of work at both levels has increased dramatically and that the number of advisors was needed to support the overall work. The allocation of PSDD resources for technical assistance in 2008 is reflected in the table below:

Table 5: PSDD TA Resources in 2008

NO	CATEGORY	2008 PSDD Budget
1	ITA National	700,000
2	NTA National	373,000
3	NTA Provincial	1,799,500
	subtotal advisors	2,872,500
4	Consultancies/UNDP	124,000
5	Consultancies/PST	436,000
	subtotal consultancies	560,000
	TOTAL	3,432,500

4.2.2 Provincial Advisory Teams

As of December 2007, there were a total of 142 PSDD NTA posts in the 24 provinces. With the end of the IFAD/CBRD Project in Kampot and Kampong Thom and the expansion of the WB/RILG projects into these provinces in 2008, two new NTA Finance Advisor posts are added to the current staffing levels making a total of 144 in 2008. The following table summarizes the number of posts at sub-national level in 2008 to support the programming, implementation and accountability for US \$ 53 million of sub-national resources within the 2008 NCDD AWPB.

Table 6: 2008 Provincial / Municipal Advisory Teams

POSITION	NO.	COUNTERPART
Sr. Program Advisor	24	Governor/PRDC/ExCom
M&E/Sector Advisor	24	Contract Admin/M&E Unit
Finance Advisor	22	Finance/Treasury Unit
Local Admin	39	Local Admin Unit
Infrastructure	23	Technical Support Unit
Agriculture	12	Agriculture Department
TOTAL	144	Average 6 per province

4.2.3 National Advisory Teams

The table below indicates the proposed number of national staff posts at national level broken down into four categories.

Table 7: 2008 National Advisory Team

Assigned to:	No.	Primary Support to:
NCDDS PST	11	NCDD AWPB/Project management
Mol/DoLA	7	C/S regulations, training, reporting
Ministries	4	D&D Agriculture (3), Finance Systems (1)
	22	

4.2.4 International Advisors

The following table reflects the number of international advisors in 2008. There are a total of 5 program posts based in the NCDDS PST and, in agreement with IFAD, one agriculture advisor post based in the Ministry of Agriculture. In addition, a consultant to support the internal review and strengthening of NCDDS PST management arrangements will work for two months. This consultancy post will be established under PST from March 2008 and recruitment will commence in January.

Table 8: PSDD Funded International Advisors in 2008

NO	POSITION	PRIMARY PURPOSE
1	Senior Program Advisor	Management/Coordination
2	Program Advisor (Systems)	Systems/RILG management
3	Program Advisor (M&E)	Program M&E/Studies
4	Management Consultant	Redesign/strengthening NCDDS/PST management
5	Finance/Admin Advisor	NCDD AWPB Finance/Admin
6	Agriculture Advisor	MAFF (UNDP/IFAD Agreement)

4.2.5 Summary Staffing Plan

The following table summarizes the total expected 2008 contracts to be issued by UNDP.

Table 9: Estimated 2007 Contracts

Contract Type	Number
NSC Contracts	162
International Contracts	5
Consultancy Contracts	6
TOTAL	173

4.2.6 Harmonized Provision of Advisory Services

The advisory services provided by PSDD support a wide range of government and donor resources through a harmonized approach. The table below reflects the estimated allocation of PSDD advisors time at sub-national level to the various sources of funds under the 2007 NCDD AWPB expressed in terms of person/years. As can be seen in the table, only 32% of the combined staff time is devoted to the implementation of PSDD's own resources with the balance spread across the various other projects. This harmonized approach to technical cooperation results in an estimated savings of nearly \$ 2 million per year compared to the TA requirements if each donor had a stand-alone project arrangement.

Table 10: Projection of Sub-National Advisor Time Required to Support 2008 NCDD AWPB Subnational Budgets

Fund Source	2008 Budget	Provinces	PSDD Staff person/ years	% of total
RGC/CSF	22,566,692	24	21	15%
WB/RILG	7,900,000	14	20	14%
PSDD	8,211,530	24	45	31%
Danida/UK NRML	4,480,000	10	10	7%
IFAD/RPRP	2,442,609	2	8	6%
IFAD/RULIP	876,430	3	7	5%
UNICEF/SK	2,033,500	6	6	4%
CANADA	510,349	3	5	3%
EC-UNDP/DDLG	1,697,590	10	9	6%
EC-UNDP/EFMP	1,432,335	1	2	1%
OTHER	7,643,275	24	11	8%
Total	\$53,794,310		144	

4.3 Staff Incentives

The provision of incentives to government officials is recognized as a problematic issue which is becoming more acute owing to: a) lack of clarity within government between the MBPI scheme, promoted by MEF, the PMG scheme promoted by CAR and the longer term issue of salary reform; b) unilateral initiatives by donor projects which are beginning to introduce incentive rates at sub-national level in an uncoordinated manner; c) the relative bias towards the national level in formulation of incentive schemes; and d) the urgency to move forward as evidenced by the recent decision of the EC. In the last quarter of 2007, the terms of reference for a study on incentives was drafted by a donor sub-group and is awaiting discussion and finalization with the NCDD working group assigned to this task. The study is expected to commence in the first quarter of 2008 and will define a process for the full development of an incentive based scheme which is expected to be incorporated into the design of the national program and commence in 2009. Unilateral moves prior to the study being undertaken are not considered to be appropriate and as such in 2008 the incentive scheme currently used at sub-national level for staff of the P/MRDC Executive Committees and at national level for staff of the NCDD/PST are expected to continue with modifications.

At sub-national level, the provision of staff incentives is limited to full-time civil servants working under the structure of the provincial/municipal executive committees with those at provincial level receiving \$ 80 per month and those at district level receiving \$ 40 per month on top of their government salaries. These current rates are likely to be increased by 30-50% once the above study is carried out and new rates established.

The core features of this scheme are as follows:

- Posts are established on the basis of functions assigned to the province by national authorities related to the D&D reforms and the preparation and execution of annual work plans and budgets. The number of posts is calculated on the basis of formula with, for example, one district facilitator assigned to support three CS Councils.
- All posts have detailed job descriptions describing the duties to be performed and supervision arrangements;
- All posts are subject to competitive recruitment with decisions made by appointed panels;
- Civil servants recruited against the posts sign an annual contract with the provincial governor as chairman of the ExCom and prepare work plans indicating the activities and outputs they are expected to achieve;
- All annual contract extensions are subject to performance evaluations carried out by appointed panels.

The functions and services carried out by these civil servants relate to the four management units established under the ExCom. The largest unit, the Local Administration Unit (LAU), falls under the mandate of the Ministry of Interior, Department of Local Administration and was officially established only in 2004 as a unit of the Provincial Office. LAU staff are mandated to: facilitate the annual work program of the CS Councils; deliver an average of 6-7 training courses per year to CS councillors and their staff; carry out legality controls in accordance with the regulatory framework; monitor and report monthly on progress and issues; facilitate the District Initiative; and are involved in the delivery of a wide range of donor project activities. As these staff receive monthly incentives, there are no other benefits that would normally be provided in the way of training fees and DSA. It has often been noted that if budgets were expressed in terms of training costs, rather than salary supplements, few would argue about the justification of the expense.

The Contract Administration Unit is managed by the Department of Planning and administers all contracts signed by the provincial governor with implementing departments; is responsible for drafting the annual work plan and budget; monitoring and evaluating implementation and preparing monthly, quarterly and annual reports to the province and national levels; as well as preparing information materials that are widely disseminated at provincial and local levels on program features, budgets and achievements.

The Finance Unit consists of two sections: one managed by the Provincial Treasury responsible for CS Fund accounting and reporting and the second managed by the Department of Finance which manages all dollar based accounts in commercial banks and is responsible for disbursement, accounting and reporting.

The Technical Support Unit is managed by the Department of Rural Development and provides resident engineering services to the CS Councils related to the design, feasibility study, procurement, monitoring and technical certification of local infrastructure contracts between the CS Councils and private contractors. In many programs, these costs would fall under the category of investment.

As reflected above, the tasks carried out by the ExCom are organized in accordance with institutional mandates, are legitimate governance functions performed by civil servants and will need to be carried out well into the future regardless of where they are assigned or how the provincial administration is restructured. As opposed to other projects applying salary supplements, civil servants are not taken away from the work of government to work on project tasks but rather are provided a minimum compensation for carrying out full time government work required by the reforms without the need to seek supplemental income during or outside working hours. Nevertheless, with the exception of the LAU few of these functions have been established within the civil service and await the Organic Law and subsequent civil service reform to be fully institutionalized. In this sense, the investment in developing these functions and strengthening capacity for the functions to be performed is a legitimate activity to be supported by PSDD while at the same time solutions must be found to the issue of adequate remuneration.

4.4 Accountability

Systems to ensure the accountability of Cambodian public servants for the management of public funds, including donor resources, remain weak. Both in order to safeguard and ensure the proper use of project resources, and to further the wider project objective of securing the poverty reduction benefits of improved governance, this will continue to be a key concern of PSDD in 2008.

Much as with capacity development, strengthening accountability involves working on systems, institutions and people. As regards accountable systems, the finance and administration manual was reviewed and revised in 2007 and is expected to be approved by the NCDD in early 2008. Other relevant initiatives will be carried out in 2008 with regard to the review and revision to the CS fund financial procedures and revisions to the PIM some of which will involve enhancing transparency and accountability. As regards people, the Accountability Working Group, with its proscribed sanctions for those found to be abusing the systems, will have its mandate broadened and its structure revised and strengthened at national and provincial level.

The internal auditing, carried out by PRDC internal auditors in each province and at the level of the NCDD/PST, as well as continuous technical audits and monitoring will continue. The joint audit of 2007 accounts involving six development partner projects will also be carried out.

It is recognized that strengthening government accountability systems will require patience and sustained effort. In the short term, an explicit function of PSDD advisors is to monitor the use of project funds and, where substantial concerns arise, to bring these concerns to the attention first of their respective counterparts and then, in the event of no remedial action being taken, to the attention of the Project Director and Senior PSDD Advisors at national level.

4.5 Gender Mainstreaming

As a member of the NCDD, the Ministry of Women's Affairs is well placed to influence policy and program development and ensure that gender issues are fully taken into account in the formulation of future D&D reforms. Allocations from PSDD to the Ministry in 2008 will focus on: support to their 24 provincial/municipal departments for monitoring the gender mainstreaming indicators formulated in 2006; activities associated with formulation of guidelines for the future establishment of Women's Affairs Committees under the Province and District Councils following adoption of the Organic Law; capacity building activities related to the national expansion of CCWCs; and publication of Training Needs Assessment report for newly elected female CS counsellors.

At provincial level, the Department of Women's Affairs has an equally advantageous position as a member of the ExCom. All 24 departments have received 2008 PIF allocations from the PSDD (18 provinces) and UNICEF (6 provinces) projects. As an indicator of the priority given to gender at provincial level, while the earmarked PIF gender allocations in 2008 were based on 8% of the total PIF, the resulting provincial allocations have increased this to over 12%; a total of \$ 230,000 or nearly \$ 10,000 per province. Based on the agreements reached at the December 2007 annual national workshop, organized by the Ministry, workplans in the 24 provinces will focus on: advocacy for woman and children; strengthening coordination with line departments through Gender Focal Point network; strengthening the implementation of existing guidelines and regulations supporting the gender mainstreaming mechanism with an enhanced focus at district level; and the provision of technical support to the CCWCs for the development of 2008 work plans on women and children's issues within the individual communes to be financed by the categorical grant on CCWCs.

5. PSDD Support to NCDD Work-Plan and Budget by Output.

The following sections describe the planned activities of PSDD in 2008 against the newly revised log frame outputs. For each of the four outputs, activities planned in 2008 are described which collectively contribute to the achievement of the output. Given the importance of strengthening the national M&E system, the 2008 M&E Plan is presented separately in section 6 and describes a set of studies, evaluations and activities planned in 2008. As such, the sum total of 51 distinct PSDD activities in 2008 is structured against four outputs and M&E. In section 8 of this report, detailed information is presented on the estimated resource allocations against each of the 51 activities broken down by investment, program support at national and sub-national level and technical assistance at national and sub-national level. In addition, information is presented on the estimated allocations of technical assistance and program support from the WB/RILG, Danida-DfID/NRM and UNCDF/IDLD project which are directly executed by PST. While useful for analytical reporting purposes and program management, budget management will continue to be based on the established NCDD systems for inter-governmental transfers against signed AWPBs and implementation contracts.

5.1 Output 1: Cambodian-owned sub-national structure agreed and in place that promotes voice, responsiveness, delivery capacity and accountability

The objective of Output 1 is to both sustain and enhance the operational rigor and viability of existing structures and systems for sub-national development as well as contribute to the design of new structures that will be established through regulations following the adoption of the Organic Law. As there are always risks to operational efficiency associated with structural transition, well designed transition plans phasing in reforms to the management structures will need to be designed in 2008 for first implementation in 2009 under the SNDD. In addition, while fundamental changes to the sub-national management structures are to be expected, their design will have to take into account the core functions currently performed and as such ongoing work in 2008 to strengthen performance of the structures will not be lost in the transition. The sub-national structures and systems are supported by administrative oversight and financial support from national level and therefore development of NCDDS capacity for administration and financial management are critical tasks to be supported by this component.

5.1.1 Support to Restructuring and Strengthening of NCDDS, PST and new structures to be established following creation of National Council

Under the NCDD, the NCDDS and the Program Support Team have assumed program management and project implementation functions since February 2007. While implementation in 2007 proceeded roughly in accordance with the 2007 NCDD and PSDD AWPBs the sheer volume of work has steadily increased over the year with new demands from both government and donors including several new donor projects. With the acceleration of the organic law and the design of the new national program in 2008, the capacity of the NCDDS and the PST is under strain. As such, in early 2008 it is expected that an internal management review will be carried out of the

structures under the NCDD to support both legal and policy development and the TWG, currently under the NCDDS, and to support work planning and implementation of the NCDD and other project AWPBs, currently under the NCDD Program Support Team. It will be important for there to be a clear separation of functions within the structure to ensure that policy, program design and AWPB implementation are each given sufficient priority. The restructuring is expected to require an increase in the number of government staff to ensure that functions are assigned to government and advisors provide support.

While a new National Council will be established upon adoption of the organic law, once again continuity will be essential to avoid disruption and strengthen capacity within existing structures that will ultimately be of service to the National Council.

5.1.2 Establishment and Strengthening of the Commune Committee for Women and Children (CCWC)

Based on three years experience under the UNICEF Seth Koma Program in six provinces, the NCDD issued a guideline in 2007 on the establishment of CCWCs in all CS in the country which clarified roles and responsibilities. A total of \$ 300,000 has been allocated in the 2008 PSDD AWPB to support the establishment, training and functioning of CCWCs in the 1,200 CS in the 18 non-UNICEF provinces in 2008. A small categorical grant averaging \$ 200 per CCWC will cover the operational costs associated with meetings within the commune and at district level; preparation of a work plan for 2008 with specific outputs; social advocacy activities within the commune including child protection; and increased attention within the CS plans on social issues affecting women and children.

5.1.3 Forward looking evaluation of District Initiative and design of initial structures required in 2009 under District Councils

As it is anticipated that the Organic Law will be adopted in the first quarter of 2008, the work that has been undertaken at district level through the District Initiative, the One Window Service Office and other projects has an enhanced strategic importance. Against the vision and statutes of the Organic Law it will be important to evaluate the various initiatives that are ongoing or soon to commence; review the management structures and arrangements that are currently in place in light of future operations under the District Councils; ensure that project initiatives begin to coalesce around government policy at district level; and formulate a work plan for establishment and strengthening of the structures and systems to be adopted for the initial phase of implementation of the Organic Law and SNDD at district level in 2009. It is noted that an independent evaluation of the district has been commissioned by DfID for early 2008 which will hopefully provide guidance on the internal evaluations and work planning for the remainder of the year.

5.1.4 Restructuring and Strengthening of Accountability Working Group at national and provincial levels

Based on a World Bank funded study of the first year of operations of the Accountability Working Group mechanism, a revised structure and terms of reference for the national and provincial AWGs has been prepared and is awaiting NCDD approval before implementation in 2008. The revisions involve the establishment of a permanent working group with dedicated staff for each AWG, enhanced public information activities and improved reporting and national oversight. The costs associated with the work will be paid under the RILG but will rely on PSDD advisors

support at both national and provincial levels. As one measure in a long-term effort to strengthen accountability through an official complaints mechanism, the AWG requires commitment and leadership at both national and provincial level and this will be pursued in 2008.

5.1.5 Follow up on recommendations of study on Technical Support to CS Councils

A World Bank funded study on technical support arrangements for the CS Councils commenced in 2007 but has been seriously delayed owing to the consultant having become seriously ill. The consultant is expected to complete the assignment by February 2008 and based on recommendations and agreements, a work plan will be prepared to improve the structure and quality of the provision of engineering services to the CS Councils through the ExCom TSU.

5.1.6 Final design and implementation of 2008 NCDD Training Plan

At the time of finalizing the PSDD AWPB, the 2008 NCDD Training Plan had been drafted and is expected to be finalized following a consultative meeting with key stakeholders on 15 January 2008 (see Annex 1 for a summary of the draft plan). The plan has been formulated under DoLA's coordination through consultations with various projects which include capacity building of CS Councils as an objective. Various development partner projects will contribute to the financing of the training plan with the financial contribution from PSDD in 2008 estimated at \$ 62,000 at national level and \$ 220,000 at sub-national level on top of the extensive technical assistance inputs. As over the past six years, PSDD advisors will work closely with DoLA to: design the curricula and training materials for each training course; organize the Training of Trainers courses; participate as trainers; and prepare reports on trainings delivered. At subnational level, PSDD advisors work with the Local Administration Units to: schedule and organize sub-national training; formulate the targeted training courses under the management of the province; participate as trainers for provincial TOTs; and monitor CS training.

The draft training plan for the C/S level includes both refresher training and new training courses designed by national level as follows:

Refresher Training

- C/S Administration
- C/S Investment Programming
- Revisions to the C/S Fund Project Implementation Manual
- C/S Financial Management

New Training

- Civil Registration Updating and Correcting
- M&E on CS project, finance and administration
- Conflict Resolution
- Prevention and Impact Mitigation of HIV/AIDs
- C/S Council exchange visits

At the level of the province, municipality, district and khan, the training plan covers the following:

- Facilitation skills
- Training skills
- Inter-CS Project Implementation Procedures
- Progress on D&D and the Organic Law
- Gender Mainstreaming

Finally, at national level the training plan includes:

- Gender concepts for DoLA staff
- Procedure for C/S Clerk performance appraisal for the C/S Clerk appraisal team

5.1.7 Process Audit covering assessment of revised CS Planning Process

The objectives of this study, funded by WB/RILG, are to make a statistically valid, quantitative assessment of the quality of the process of planning C/S Fund projects with regard to a defined set of indicators and to identify the most important reasons related to the planning process which lead to certain projects failing to achieve their objectives. The study will measure the effectiveness of revisions made to the CS project planning process and make further recommendations for the future.

5.1.8 Process Audit covering assessment of CS project implementation

The objectives of this study, funded by WB/RILG, are to make a statistically valid, quantitative assessment of the quality of the process of implementing C/S Fund projects with regard to a defined set of indicators and to identify the most important factors in the implementation process which lead to certain projects not achieving their objectives. The study, to be conducted at the beginning of 2009, will measure the effectiveness of improvements made to the NCDD implementation systems, procedures and processes. As such the activity in 2008 covers the design and procurement for the study.

5.1.9 Citizens Engagement in CS Budgeting

The general objective of this set of consultancies/contracts, funded by the WB/RILG, is to stimulate participation and awareness of the local population in the C/S planning and budgeting processes. It is anticipated that many of the specific tasks to be undertaken will involve engaging NGOs to develop and deliver training to local people on how to become more actively engaged and informed participants with a better understanding of the C/S budgeting processes especially concerned those activities where local people can have an impact. In 2008, the conceptual framework and identification of initial activities will be developed in cooperation with key stakeholders with the implementation to commence at the beginning of 2009.

5.1.10 Support to Provincial Management Structure

Financial support to maintenance of sub-national governance structures and systems under the NCDD mandate is through the operations budget of the PRDC-ExCom.

The ExCom Operations budget is sub-divided into sections for each of the four operational units of ExCom (Contract Administration Unit (CAU); Finance Unit (FU); Local Administration Unit (LAU) and Technical Support Unit (TSU); and the support costs of the PSDD advisory team. General support costs for ExCom activities are included in the CAU budget. For budget analysis purposes, the activities of CAU, FU and LAU; and the advisory team support costs, are treated as falling within Component 1, while the costs of the Technical Support Units, which are related directly to C/S level investments, are treated as part of Component 2.

The ExCom budgets follow a standard structure. This structure is outlined in the following table.

Table 11: Summary Structure of ExCom Support Budgets

Section / Sub-Section	Description
Contract Administration Unit	
Support to CAU staff	Staff incentives, office support, transport etc for CAU staff
Training and capacity building for CAU	Human resources development
Program administrative support	Building maintenance, communications, out of province travel etc
Program support staff	Salaries of office assistants, cleaners, guards, drivers etc.
Publicity	Program Information dissemination
Program meetings and workshops	Cost of program meetings and workshops
Other CAU costs	Miscellany
Contingency sum	3% of overall ExCom budget
Local Administration Unit	
Support to LAU staff	Staff incentives, office support, transport for LAU, PFT, DFT
Training and capacity building for LAU	Human resources development
Training and capacity building by LAU	C/S Council capacity building costs
Organise C/S Council Congress	Cost of organizing C/S Congress
NREM special activity costs	NRM&L investments in ExCom budget
Seth Koma special activity costs	Sith Komar investments and C/S support in ExCom budget
Accountability Board	Operating costs of Provincial C/S Accountability Working Group
Finance Unit	
Support to ExCom Finance staff	Staff incentives, office support, transport etc for FU staff
Support to Provincial Treasury staff	Staff incentives, office support, transport etc for C/S Accountants
Training and capacity building for Finance sta	Human resources development
Technical Support Unit	
Support to TSU staff	Staff incentives, office support, transport etc for TSU staff
Training and capacity building for TSU	Human resources development
Training and capacity building by TSU	Training activities of TSU for C/S Councils
Advisory Team Support Costs	
Adviser support costs	Office support, communications, transport etc.
Adviser support staff	Office assistants and drivers assigned to the advisory team.

Table 12 on the following page reflects the approximate breakdown of ExCom core operations costs by budget category in 2008.

Table 12: Approximate Breakdown of ExCom Operations Budget by Category

Category	%
Staff Incentives	35%
PLG Advisory team operations	16%
Transport costs	14%
General operations	13%
Capacity Building	8%
Missions	4%
Publicity	3%
Workshops	2%
Contingency	2%
Support Staff	2%
TOTAL	100%

All donors disbursing funds through the ExCom financial management system contribute to the operations cost budget, although the largest share by far is funded by PSDD. ExComs prepare unified budgets reflecting all fund sources, then distribute costs between donor resources. These distributed costs then form the basis of separate contracts between NCDD and PRDC, or directly between the donor and PRDC.

Table 13 shows the total contributions from all donors to ExCom operations budgets, and the PSDD share of these costs. Compared to 2007, the major differences are a decrease of 8% in the percentage cost covered by PSDD and the addition of the World Bank as funders of the ExCom through three separate projects.

Table 13: Contributions to ExCom Provincial Program Support Costs

SOURCE	AMOUNT	%
PSDD	3,636,530	73%
IFAD	390,962	8%
UNICEF	332,000	7%
EC/UNDP	271,934	5%
World Bank	190,000	4%
Danida/Dfid NRM	100,000	2%
Canada	13,372	0.3%
UNFPA/UNCDF	18,960	0.4%
TOTAL	\$4,953,758	100%

Table 14 on the following page shows the allocation of 2008 PSDD ExCom operations support costs to each province broken down by management unit. On average, there is a total of \$ 150,000 in program support costs per province covering a wide variety of governance and management functions; training, facilitation and support services to line departments, District Committees and CS Councils; and operations costs related to the implementation of approximately \$ 50 million of sub-national support under the 2008 NCDD AWPB.

Table 14 : 2008 PSDD Provincial Program Support Budgets – ExCom Units and PSDD Advisory Services

Table 14 : 2008 PSDD Provincial Program Support Budgets- ExCom Units and PSDD Advisory Services												
GIS CODE	1	2	3	4	5	6	7	8	9	10	11	12
PROVINCE	BMC	BAT	KPC	KCH	KSP	KPT	KAM	KDL	KKG	KRT	MKR	PNP
ExCom Contract Administration	51,524	49,048	61,603	40,661	51,092	46,701	50,330	48,650	35,069	40,880	30,707	35,111
ExCom Local Administration	38,818	59,150	108,790	40,697	66,059	52,927	67,529	81,509	43,029	34,686	31,432	51,850
ExCom Technical Services	16,532	29,122	33,812	15,489	21,814	25,364	21,876	25,425	20,405	11,597	12,937	16,645
ExCom Financial Services	14,798	18,570	32,295	17,376	21,260	13,540	14,468	32,384	12,346	13,131	10,706	20,134
Subtotal Core Operations	121,672	155,890	236,500	114,222	160,225	138,532	154,203	187,968	110,849	100,294	85,782	123,740
Advisory Team Support	22,325	27,470	25,530	19,595	19,930	23,250	20,795	20,620	22,450	21,645	16,780	19,595
C/S Council Capacity Building	1,328	14,110	15,540	5,778	7,465	13,013	8,797	10,532	10,758	406	1,239	4,060
PROGRAM SUPPORT TOTAL	145,325	197,470	277,570	139,595	187,620	174,795	183,795	219,120	144,057	122,345	103,800	147,395

GIS CODE	13	14	15	16	17	18	19	20	21	22	23	24
PROVINCE	PVR	PVG	PUR	RAT	SRP	SHV	STG	SVR	TAK	OMC	KEP	PLN
ExCom Local Administration	34,329	60,812	43,710	56,928	45,537	31,091	38,346	41,169	49,810	40,493	19,807	24,741
EsCom Contract Administration	39,815	36,772	36,003	51,409	82,941	25,267	30,086	46,190	63,096	25,259	11,573	11,288
ExCom Financial Services	18,775	22,818	13,943	16,653	23,801	10,396	15,000	10,444	21,220	12,253	5,501	5,842
ExCom Technical Services	11,545	8,090	16,381	12,420	22,185	12,759	14,800	16,052	24,656	11,252	5,870	6,540
Subtotal Core Operations	104,464	128,492	110,037	137,410	174,464	79,513	98,232	113,855	158,782	89,257	42,751	48,410
PLG Operations	25,650	27,130	19,395	24,780	25,590	16,990	19,260	21,645	20,545	19,410	13,444	13,495
C/S Council Capacity Building	9,050	16,898	554	2,590	3,816	692	7,914	6,845	7,869	3,644	1,000	2,990
PROGRAM SUPPORT TOTAL	139,164	172,520	129,986	164,780	203,870	97,195	125,406	142,345	187,196	112,311	57,195	64,895

GRAND TOTAL	
Budget Category	Amount
ExCom Local Administration	1,028,148
EsCom Contract Administration	1,136,173
ExCom Financial Services	427,663
ExCom Technical Services	383,558
Subtotal Core Operations	2,975,542
PLG Operations	507,319
C/S Council Capacity Building	156,888
PROGRAM SUPPORT TOTAL	3,639,749

includes \$ 3,219 of 2007 retention funds

Provincial Advisory Teams

PSDD advisory teams will be assigned to each of the 24 Provinces and Municipalities of Cambodia. The composition of the advisory teams is aligned with the ExCom structure and although the actual number of advisors varies according to the situation of each province, the key support to sub-national governance is provided by a team with the following general structure:

Table 15: 2008 PSDD Advisory Teams at Province Level

Position	Counterpart	Functional Areas
Sr. Program Advisor	Governor, Permanent Member of ExCom	Governance program advice, coordination of advisory team
M&E/Sector Advisor	Chief of Contract Administration Unit	Contract Administration, M&E, Support to Sector Depts.
Finance Advisor	Chief of Finance Unit and Provincial Treasury	Financial advice, assistance and monitoring
Local Admin Advisor	Chief of Local Administration Unit	CS and District Local Governance Capacity Building
Infrastructure Advisor	Chief of Technical Support Services Unit	Local Infrastructure design, feasibility, construction, monitoring

In accordance with long standing agreements with IFAD, for two projects, and Canadian CIDA, for one project, a total of 12 NTA Agriculture Advisors are assigned to eight target provinces to support the Provincial Departments of Agriculture with the planning and implementation of agriculture development programs following the D&D approach. The agriculture advisors are accountable to the Department of Agriculture for the technical quality of their work and are coordinated within the PSDD provincial advisory team by the Senior Provincial Program Advisor.

5.1.11 Support to Department of Local Administration

NCDD will use PSDD resources to support the operations and continued institutional strengthening of the Department of Local Administration (DoLA) of the Ministry of the Interior.

DoLA is responsible to develop regulations and operations procedures for the C/S Councils; to monitor the activities of the C/S Councils and to intervene if and when necessary; to deliver a program of capacity building to the C/S Councils; to provide guidance and overall supervision of the District Initiative in 138 districts of the country; and to oversee and coordinate the Provincial Local Administration Units (PLAU). As the institutional focus for all work undertaken at the commune level, DoLA continuously interacts with a wide range of development partners supporting reforms and investments at commune level and directly implements several donor projects; particularly two large projects from the ADB.

In supporting the revision and strengthening of the NCDDS and PST, as described in activity 5.1.1, the division of tasks and management lines with DoLA will be taken into consideration as well. The PSDD support budget for DoLA falls under the category of National Ministry Services and an allocation of approximately \$ 180,000

is expected to be confirmed by the end of January. A team of seven NTA in 2008 are assigned to support DoLA with their overall mandate as reflected in the table below:

Table 16: 2008 PSDD Advisory Team in DoLA

2008 PSDD Advisory Team in DoLA		
No.	NTA Position	Primary Tasks
1	Senior Program Advisor	Management, coordination, regulations
2	Training/Implementation Advisor	Curriculum design, PIM revisions,
3	Training Advisor	Curriculum design, training organization
4	National Infrastructure Advisor	Local infra guidelines, standards, technical auditing
5	M&E/Accountability Advisor	AWG guidelines/monitoring & DoLA M&E/reporting
6	IT Advisor	IT systems support and development
7	Finance Advisor	Budgeting and financial reporting

5.1.12 Support to NCDDS and NCDDS/PST

At present, PSDD is the only project that is designed to provide comprehensive support to the NCDDS and its Program Support Team to assist with overall management, coordination and implementation of the D&D reforms. As Secretariat of the NCDD, in 2008 the NCDDS will be responsible for three main areas: finalization of the Organic Law and subsequent work on designing the initial regulatory framework; overseeing the design of the new National Program on Sub-national Democratic Development; and secretariat support to the NCDD and the TWG on D&D. The Program Support Team will continue to be responsible for coordinating implementation of the overall NCDD AWPB as well as the AWPBs of six projects and/or project components: PSDD, WB/RILG, MDLF/NRM in D&D, WB/DDLG/OWSO, WB/LASED investment component and UNCDF/IDLD. In addition, under the authority of the NCDDS, the PST will continue to oversee, monitor and strengthen the existing sub-national management structure and systems utilized by nearly all projects under the NCDD framework. The workload and complexity associated with these tasks should not be underestimated by development partners particularly during a year when nearly all aspects of sub-national governance will be under review.

As noted above in Activity 5.1.1, the internal review, restructuring and strengthening of the NCDDS and PST will include a specific focus on each of the four PST operations units: Finance, Administration, Contract Administration and Project Coordination and Monitoring/Evaluation and Information. The review is expected to: develop a matrix management approach that will clarify unit and individual staff responsibilities for both overall program management and individual project management; establish regularly unit and program meeting schedules; develop better management tools for tracking progress; and identify additional staff requirements based on overall workload.

The table below reflects the proposed 2008 budget for the NCDDS PST by budget category. The budget allocation for Consultants/Studies has increased considerably since 2007 to accommodate the many M&E studies to be undertaken in 2008 as well as the post of management and operations advisor which is budgeted for 10 months and will commence in March following recruitment. All other categories are roughly the same as in 2007.

Table 17: 2008 NCDDS/PST Budget

Budget Category	Amount
NCDDS/PST Staff	390,000
Consultants/Studies	436,000
Duty Travel PLG	35,000
Duty Travel PST	40,000
Audit (PSDD)	100,000
Operational costs	50,000
Local Procurement	30,000
Study Tour / Workshop / Training	18,470
Contingency	20,000
TOTAL	1,119,470

5.2 Output 2: Systems Developed and Integrated into new National Structures and Systems

The process of designing new systems that will fully integrate domestic and external resources into integrated budgets under indirectly elected sub-national councils within the Royal Government's overall budget framework and define new procedures for integrated planning, programming, implementation, monitoring, reporting and evaluation is expected to take considerable time. As part of the design of the SNDD program, it is anticipated that a well conceived and sequenced process to achieve this objective over the next several years will be formulated and commence implementation in 2009. In the meantime, as the government has indicated its intentions for the establishment of sub-national councils to commence in the first half of 2008, certain preliminary arrangements need to be determined in 2008 in order that implementation in 2009 may proceed. The current NCDD systems that have been adopted by a wide variety of development partner projects and are being managed by several thousand trained civil servants across the country are expected to continue for at least two to three more years to enable sufficient time for new systems to be designed and carefully introduced in a manner that does not disrupt operational efficiency. As such, under Output 2 the primary focus for PSDD in 2008 will be to: review and strengthen specific aspects of the current NCDD systems to improve performance over the medium term; contribute to reviews and initial design studies of specific systems as a contribution to the formulation of a multi-year work plan to be incorporated into the SNDD; and clarify arrangements that will prevail in 2009 under the first phase of sub-national councils.

PLANNING SYSTEMS

5.2.1 Review and design of district/commune integrated planning system

Under the UNCDF/IDLD project, expected to be approved in January 2008, a study has been planned towards the middle of the year to review the current planning guidelines and process for the CS Councils and the District Initiative, including District Integration, with a view towards designing a more coherent, integrated system that is in line with the vision of the Organic Law and is consistent with the respective mandates of the district and commune. While a revised system may be piloted first in the UNCDF target districts, the study is likely to inform the national reform of the local planning process. PSDD will actively be involved in the study at national and sub-national level as well as follow up required.

FINANCE SYSTEMS

5.2.2 Finalize design, obtain approval and implement first categorical grant for CCWC

Subject to approval, the categorical grant for the CCWC will be the first of its kind and may set an important precedent for how purpose-specific grants may be designed and implemented through the CS Fund system. Based on the precedent set by UNICEF Seth Koma and specific conditions of access, including proper formation of the CCWC and preparation of a work plan and budget, the grants are expected to: focus attention on social dimensions within the commune, strengthen advocacy for women and children issues to be addressed, develop new relationships between service providers and CS Councils and, together with revisions to the Project Implementation Manual, hopefully lead to increased CS Fund allocations for service activities in 2009 and beyond.

5.2.3 Design, obtain approval and prepare for implementation of a categorical grant for NRM

With technical support from UNCDF in 2007, the initial design of a categorical grant to CS Councils for NRM allocations was conceptualized. With continued support from the MDLF in 2008, the design work is expected to be completed and preparations made for implementation in 2009. The categorical grant will specify the conditions of access, the specific budgeting and accounting requirements, contracting arrangements for CS Councils to contract NGOs for services and investments and budget carryover procedures. Once approved, the categorical grants will be channelled through the national treasury system instead of through the ExComs as at present.

5.2.4 CS Budget Execution Study

This important study, financed by the World Bank/RILG, has been delayed owing to several unsuccessful recruitment attempts in 2007. The study is expected to be carried out in the first half of 2008, under the guidance of the Ministry of Economy and Finance, and will focus on: a thorough review of the CS Budget cycle; identify the key constraints to budget execution which result in a high volume of carryover funds each year; and review procedural issues relating to budgeting, disbursement, accounting and reporting. The NCDD PST and PSDD advisors will be closely involved in the study.

5.2.5 Revision of CS Finance Manual of Procedures

Based on the results and recommendations of the CS Budget Execution Study, work will be undertaken in conjunction with UNCDF, WB and PSDD to ensure that revisions to the CS Finance Manual of Procedures are carried out and delivered through training in the second half of 2008 for implementation in the 2009 CS Fund budget cycle.

5.2.6 Review/design of initial district finance system that is operable in 2009 following establishment of District Councils

As the government has expressed its intention to establish district and provincial councils in the first half of 2009, it will be important to clarify the financial management arrangements that will prevail in 2009 well in advance so as to 1) enable the councils to begin the learning by doing process with regard to budget oversight and 2) ensure that operations will continue unimpeded in 2009. As this will require a considerable effort extending beyond 2008, particularly at the provincial level, specific focus will be given to the district level in 2008 which is currently not a level of budget and thus does not have an existing finance system.

5.2.7 Support to Strategic Workplan on Fiscal Decentralization

Under the WB/RILG project, a Fiscal Decentralization Advisor will be recruited in the first half of 2008 to be based in the Ministry of Economy and Finance. The consultant's primary client will be MEF but he/she will work closely with the NCDD and the PSDD advisors as well. As the advisor should commence their assignment at roughly the same time as the SNDD formulation process begins, he/she will be expected to liaise closely with the design team to both inform and follow up on those aspects of the SNDD related to fiscal decentralization including support for the preparation of a strategic workplan on the sequencing of the fiscal reforms under the Organic Law.

IMPLEMENTATION SYSTEMS

5.2.8 Revision of CS Project Implementation Manual

Considerable preparatory work was undertaken in 2007, in consultation with all 24 provinces and their advisory teams, to identify procedures and guidelines within the project implementation manual that need revisions in order to improve performance and accountability. These have been prioritized and a working group within DoLA, technically supported by PSDD advisors, is expected to prepare revisions and additions to the PIM for approval by the NCDD in advance of the 2008 CS project planning and design cycle. Aspects to be covered include: transparent guidelines and accounting for local contributions; revised safeguard monitoring procedures; better defined public information requirements within the communes; implementation guidance on quality and maintenance issues; and guidance on design and implementation of service delivery contracts (in addition to the activity below).

5.2.9 Prepare and Commence Production of Technical Manual for CS Service Projects

It is well recognized that service delivery activities are not well covered in the PIM even though formats are included that cover the recruitment and contracting of individuals and procurement of materials which represent the bulk of service delivery budgets. As such, in agreement with the NCDD and DoLA the design of a Technical Manual for Service Delivery projects will commence in 2008 in consultation with many of DoLA's partners. The manual is intended to provide user friendly guidance on the design, budgeting, contracting, implementation and monitoring of service delivery projects as well as examples of best practices to date. This manual is likely to be updated regularly as new examples develop.

5.2.10 Review and further development of the first edition of the Green Book on Service Delivery

With financing from Danida/DfID a consultant will be recruited to undertake the review and further development of this handbook on service providers throughout the country which will eventually be published and distributed to local authorities along with guidance on how it can be used.

5.2.11 Revision of Technical Manual and Template Program

The Seila Technical Manual is a manual of standard design details and technical specifications which has been used in almost all C/S Fund infrastructure projects and many other projects financed from other sources and projects. The Seila Templates is an interactive software package with the same content as the manual plus automatic translation and cost estimation functions. Both the Seila Technical Manual and the Templates were adopted by the NCDD in January 2007 when NCDD absorbed the functions and responsibilities of the Seila Program.

There is a need now to review and update these materials, particularly to increase the coverage of irrigation-related project outputs. There is also a need to incorporate technical monitoring checklists which have designed and pilot tested by MRD and disseminated to the TSU through training courses. It is also necessary to incorporate

technical feasibility study forms which, until now, have been included in the C/S Fund Project Implementation Manual. With financing from the World Bank/RILG, an engineering consulting company will be engaged to lead a review of the manual, in collaboration with the Ministries of Rural Development and Water Resources/Meteorology, and to deliver an updated manual and software to be disseminated under the NCDD authority. The cost of this work is estimated as US \$ 100,000 and procurement is now in progress under NCDD with an expected starting date of February 2008.

5.2.12 Revision and operation of new Safeguards Monitoring System

The Assessment of Safeguards Mechanisms and Capacity Building for Environmental Impact Assessments completed in December 2007 noted serious deficiencies in the application of safeguard mechanisms in the implementation of C/S Fund projects. The study recommended that an independent safeguard monitoring team be established immediately in order to improve compliance with the safeguards.

In order to respond as quickly as possible to this recommendation and prevent environmentally inappropriate projects from being implemented, the NCDD/PST has proposed to the World Bank that RILG funds be programmed in 2008 to support a Safeguards Monitoring Team. Under the day-to-day management of the existing National Safeguards Officer within the PST, 3 Regional Safeguards Officers will be employed as consultants and environmental NGO(s) will be contracted to perform on-site inspection of proposed C/S Fund projects that are located in sensitive areas such as those CS with forests, wetlands and designated protected areas. The Safeguards Monitoring Team will liaise closely with PSDD advisors who will provide backstopping and technical guidance.

5.2.13 Support to Development of Strategies/Options for Infrastructure Maintenance and improvements to quality of local infrastructure

By the second quarter of 2008, the WB/RILG funded Infrastructure Advisor will join the team of advisors in PST and among his/her priorities will be to review experience to date with maintenance of local infrastructure through maintenance committees in various provinces and to formulate a strategy for addressing longer term maintenance issues in a structural manner. This may include the issuing of an official decision and/or budget circular making allocations for maintenance obligatory. In addition the advisor is expected to contribute to a range of activities focused on improving the quality of local infrastructure through support to revisions of manuals, designs, procedures, processes and inputs to strengthening the TSUs. The advisor will work closely with PSDD ITA and NTA advisors on these issues.

PERSONNEL MANAGEMENT AND ADMINISTRATION

5.2.14 Study and Design of SNDD Merit Based Incentive System

As mentioned above, the study leading to the design of a SNDD Merit Based Incentive System will be undertaken in the first half of 2008 with resources available from both PSDD and Danida/DfID NRM in D&D. While the initial study is expected to review the current arrangements in light of other national schemes, the ultimate objective is the design of a system that covers personnel management practices and

procedures that is consistent with the future requirements of an integrated administration at provincial and district level and which can be incorporated into the SNDD design and become operational from 2009.

5.2.15 Procurement: Review and Harmonize NCDD and MEF Procurement Guidelines

In 2007, the Ministry of Economy and Finance issued a Manual on Standard Operating Procedures, including guidelines on procurement, which are meant to govern all IFI projects under the MEF mandate. Procurement under the NCDD/PST currently follows guidelines formulated and tested over the past many years. As part of the process of harmonization, design and alignment of systems that can be used both for domestic and external finances in the future it is intended to review the two sets of procurement guidelines, identify key differences and work towards a common approach that may eventually be institutionalized at sub-national level.

5.3 Output 3: Investment Funds Delivered through Mechanisms that Promote Accountability and which Enable Debate

This output comprises investments intended to contribute to achieving the project goal of improved service delivery and to the project objective of sustainable poverty reduction. They include investments in i) infrastructure and service delivery, through which sub-national authorities will fulfil their responsibilities, both before and after amendments to existing laws and the forthcoming organic law, and ii) natural resources/environmental management as sub-national authorities assume authority to regulate and directly invest in the sustainability of these assets and resources.

In 2008, sub-national development investments funded by PSDD will be disbursed through three mechanisms corresponding to different levels of sub-national government: the Provincial Investment Fund (PIF); the District Initiative Funds (DIF) and the Commune / Sangkat Fund (C/SF). The PIF and the DIF are disbursed through contracts signed between PRDC-ExCom and provincial technical Departments (PIF) or District authorities (DIF). The PSDD support to CS/F will be disbursed through the Treasury system.

5.3.1 Comprehensive Support to CS Fund Implementation

The C/S Fund was established under the Law on Management and Administration of Communes and Sangkats, and a pursuant sub-decree, to help finance the C/S Councils administrative and development budgets. The C/S Fund comprises an Administration Component (one-third of the total fund), which supports the salaries of CS counsellors and village authorities and the administration costs of the C/S Council, and a Development Component (two-thirds), to fund investments in infrastructure, services and community development by the C/S Council. The entire Administration Component is funded from domestic revenues while the Development Component is funded by a combination of domestic revenues and external donor assistance, comprising finance from the World Bank – Rural Investment and Local Governance Project and the allocation from PSDD. In 2008 the PSDD allocation will remain at \$ 500,000.

Table 18: C/S Fund Resources in 2008

Budget Category	2007	2008	Increase %
Administration Component	7,239,837	8,107,709	12%
Development Component	14,479,675	14,861,427	3%
Total	21,721,519	22,971,144	6%
Funded By:			
Domestic Revenues	15,221,519	15,471,144	2%
World Bank - RILGP	6,000,000	7,000,000	17%
UNDP/DFID/SIDA	500,000	500,000	0%

Table 19 above reflects the total value of the 2008 CS Fund broken down by source and in comparison to 2007. By sub-decree issued on 28 August 2007, the government established the percentage of domestic revenue allocated to the CS Fund for the years 2008, 2009 and 2010 (2.7%, 2.75% and 2.8% respectively). While from 2002 to 2007, the CS Fund allocation had been calculated by applying the percentage against the forecasted revenue of the following year, through the above sub-decree it was decided that from 2008 onwards the percentage would be applied to the current year's

domestic revenue. As such, while the percentage of domestic revenue allocated to the CS Fund has increased from 2.66% in 2007 to 2.7% in 2008, for both years the 2007 domestic revenue was used in the formula. This explains why, with revenue reportedly increasing rapidly, the increase in the size of the CS Fund in 2008 is relatively modest at 6% in gross terms. Combined with the increase in expected reimbursement from WB/RILG, which is now in the form of a grant, the government's contribution to the CS Fund in 2008 will increase by \$ 250,000 or 2% compared to 2007.

The Administration Component of the C/S Fund is allocated according to the number of C/S Councillors and the number of villages in the commune/sangkat. The Development Component is allocated according to the following proportions:

- 35% distributed as an equal share per commune/sangkat;
- 35% distributed in proportion to population of the commune / sangkat;
- 30% distributed according to a poverty index derived from the Commune Database (CDB).

In addition to the direct financial support to C/S Fund, PSDD resources will finance the cost of survey, design and construction supervision through the ExCom Technical Support Units and the cost of Infrastructure Advisers whose primary role is to support the TSU. PSDD resources, used to support general operations and advisory costs at provincial level, are also vital to effective implementation of the C/S Fund projects and for processing of payment records which are the basis for reimbursement of eligible C/S Fund expenditures from the World Bank RILGP loan.

5.3.2 Comprehensive Support to District Initiative

As in 2007, PSDD allocations in 2008 are focused on two target districts in each of the 14 provinces that are not covered by the Danida/DfID NRM in D&D component to ensure national coverage in the combined District Initiative which both projects are supporting. As discussed earlier in the report, considerable attention will be focused on the district level in 2008 following the adoption of the Organic Law and in preparation for the establishment of District Councils in 2009. The piloting at district level of district based planning, inter-commune prioritization and implementation of inter-commune investments and services: helps to clarify the many challenges that the reforms will face; creates opportunities for new forms of cooperation and accountability; and continues the practise of learning by doing.

A total of \$ 350,000 in allocations to the 28 target districts in 14 provinces was announced at the National Workshop on NCDD 2008 AWPB formulation in October and was subsequently programmed through the regulated planning process by December 2007. Table 16 on the following page reflects the programming of the allocations by the respective District Committees which include representatives from each of the CS Councils within their district. In total, there are 109 service projects and 36 infrastructure projects programmed in 2008 in the 28 target districts.

Table 19 : 2008 PSDD District Initiative Allocation

GIS CODE	1	2	4	6	7	8	12	13	14	19	20	21	22	24	TOTAL
PROVINCE	BMC	BAT	KCH	KPT	KAM	KDL	PNP	PVR	PVG	STG	SVR	TAK	OMC	PLN	
Agriculture	1,294	1,400	1,111	13,472	3,182	3,418		3,910	3,496	2,295	450	2,784	1,311		38,123
Culture			241				2,625						935		3,801
Education	981		209						5,768				739	3,513	11,210
Gender	1,584	2,110	1,085		2,218	1,254	750		2,099	1,201	2,105	700	1,224	500	16,830
Health	1,069		175	2,147		564					2,505		964		7,424
Land Use Management			528							759		928	890	500	3,604
Natural Resource Management	291	800	268	744	1,250		3,375	790		853		783		450	9,603
Public Works				909			11,025	500							12,434
Religion											1,070				1,070
Rural Roads (inter-commune)	10,001	19,740	16,868		17,979			20,553	16,845	20,083	18,166	9,820	22,658	19,141	191,854
Social	422	600	337						545	518	620	1,296			4,337
Water Resources Management	9,917	5,435		3,609		16,623	7,875					12,190			55,650
Traffic Safety			937						852					500	2,289
Law and Legal Process		1,730	363												2,093
Refresher CS Training			378											500	878
Unprogrammed				1,619											1,619
Capacity building/Operations	2,500	2,500	2,500	2,500	2,500	3,141	2,500	2,500	2,525	2,500	2,500	2,500	2,500	2,500	35,666
TOTAL	28,059	34,315	25,000	25,000	27,129	25,000	28,150	28,253	32,129	28,208	27,416	31,001	31,221	27,604	398,485
Retention/obligation 2007	3,059	9,315	15,000	0	2,129	0	3,150	3,253	7,129	3,208	2,416	6,001	6,221	2,604	63,485

Contracts and Value															TOTAL
Infrastructure Contracts	2	3	2	1	3	2	2	4	3	2	2	4	4	2	36
Total Value	16,859	25,175	16,868	3,609	17,979	16,623	15,750	20,553	22,613	16,875	15,750	22,011	22,658	16,537	249,859
Service Contracts	10	7	11	5	6	5	3	4	6	7	13	12	10	10	109
Total Value	5,641	6,640	5,633	17,272	6,650	8,377	6,750	5,200	9,516	5,625	6,750	6,490	6,063	5,963	102,569
Total Contracts	12	10	13	6	9	7	5	8	9	9	15	16	14	12	145
Total Value	22,500	31,815	22,500	20,881	24,629	25,000	22,500	25,753	32,129	22,500	22,500	28,501	28,721	22,500	352,429

Type of Contracts	No	%	Value	%
Service Contracts	109	75%	102,569	29%
Infrastructure Contracts	36	25%	249,859	71%
TOTAL	145	100%	352,429	100%

Table 20: 2008 PSDD Provincial Investment Fund Allocations By Province/Municipality

GIS CODE	1	2	3	4	5	6	7	8	9	10	11	12	13
PROVINCE	BMC	BAT	KPC	KCH	KSP	KPT	KAM	KDL	KKG	KRT	MKR	PNP	PVR
Agriculture	10,000	11,000		18,500		6,500	12,800	20,475	15,250			17,700	
Culture	4,800	4,500		4,000		2,500	3,200						
Education	2,500	5,000			14,000			5,000	5,505	2,500	11,634		7,000
Gender	8,500	12,000	20,425	8,750		1,000	15,800	13,250	7,670	6,500	8,620	9,700	7,616
Health	5,000	8,000	27,000			6,000		24,530		12,000		45,750	
Information			3,000					2,000					
Land Use Management	2,500	8,000		2,850		4,000		4,000					
Labor		5,000	6,000			4,000							
Mine Action													8,560
Natural Resource Management	6,800	13,000		5,000		4,500	4,700	5,300	5,000			8,000	1,800
Planning	8,500	11,800	17,375	7,975	10,000	7,300	8,700	11,850	6,725	6,500	8,325	8,300	6,350
Public Works								5,000					
Religion													
Rural Roads	16,100	14,000	96,000	11,650		10,700	3,000	25,300		8,000	10,046		17,747
Social	4,400	4,700	5,000	2,500		3,500							
Tourism				2,000			1,400						
Water and Sanitation	7,275	4,625		5,000	20,600		8,100		7,000	4,500		20,000	
Water Resources Management	11,000	7,000		3,000	35,167	25,200	25,175	37,080		17,400		22,150	
Total PIF	87,375	108,625	174,800	71,225	79,767	75,200	82,875	153,785	47,150	57,400	38,625	131,600	49,072

Table 20: 2008 PSDD Provincial Investment Fund Allocations By Province/Municipality (continued)

GIS CODE	14	15	16	17	18	19	20	21	22	23	24	All Provinces	
PROVINCE	PVG	PUR	RAT	SRP	SHV	STG	SVR	TAK	OMC	KEP	PLN		
Agriculture						12,764		16,000	5,140			146,129	7.9%
Culture				4,200		3,300		3,000			1,550	31,050	1.7%
Education	33,000	10,000	7,600	18,434	4,000		20,000	16,523		6,000	9,000	177,696	9.6%
Gender		7,850	8,500	11,000	6,025		3,000	10,675		5,488	4,625	176,994	9.6%
Health		5,750		4,300			6,000	6,500		5,000		155,830	8.4%
Information			3,825	3,950	5,000	3,000	2,500	3,000				26,275	1.4%
Land Use Management							3,000	5,500				29,850	1.6%
Labor		7,600	4,000	5,400			3,000					35,000	1.9%
Mine Action									5,760			14,320	0.8%
Natural Resource Management	4,000					3,000	3,700	4,000			2,510	71,310	3.9%
Planning	9,423	7,100	8,000	11,910	5,400	8,064	7,925	9,550	5,400	4,325	4,400	201,197	10.9%
Public Works	5,000											10,000	0.5%
Religion		2,900		5,500								8,400	0.5%
Rural Roads	30,000	8,200		22,993	1,000	7,342	11,350	5,527		6,000	6,000	310,955	16.9%
Social	4,000	3,000	5,000	2,723	3,000		3,000	3,000				43,823	2.4%
Tourism	5,000						1,200		1,100	5,487		16,187	0.9%
Water and Sanitation		3,300	9,750	6,090	14,000			12,528	2,000	4,000	3,240	132,008	7.2%
Water Resources Management	18,377	8,800			8,000		4,300	10,000	20,000		5,200	257,849	14.0%
Total PIF	108,800	64,500	46,675	96,500	46,425	37,470	68,975	105,803	39,400	36,300	36,525	\$1,844,873	100.0%

Note: Total 2008 PIF allocation is \$ 1,800,000. Above figures include \$ 44, 873 of obligations and retention under 2007 PIF contracts.

5.3.3 Comprehensive Support to Provincial Investment Fund

The Provincial Investment Fund is allocated to all Provinces and Municipalities according to a population based formula. Part of the fund is earmarked for support to planning activities of the Provincial / Municipal Department of Planning; and to gender mainstreaming activities of the Provincial Department of Women's Affairs. The remaining "un-earmarked PIF" is allocated by PRDC to sectoral technical departments against established criteria and in response to proposals with prioritisation taking into account: priorities formulated by the CS Councils and aggregated by District into District Priority Activities Matrices (DPAM); alignment with national planning and poverty alleviation criteria, complementarity with other planned activities; and performance of the Department concerned in implementation of activities in previous years. With this provisional allocation, the Department then programs activities through the District Integration Process. Finally, the agreed activities, plus support costs amounting to no more than 25% of the total, are included in a sub-contract signed between PRDC and the Department, pursuant to the overall PSDD contract signed between NCDD and PRDC.

Allocations of PIF were announced at the National Workshop on Formulation of the 2008 NCDD Annual Work Plan and Budget held in Phnom Penh in October 2007. On the previous two pages, Table 17 reflects the final allocation of these resources following the programming process in each province.

5.3.4 NCDD Sub-Committees and National Ministry/Institution Services

As agreed with PSDD donors, in 2008 a total of \$ 200,000 has been allocated to work associated with the NCDD sub-committees and \$ 300,000 for National Ministries. Owing to the diversion of attention in November/December 2007 in relation to the organization, management and follow up on the National Consultative Workshop on the Organic Law, the programming of these resources has been delayed and details are not available. In anticipation of allocations several Ministries, including Interior/DoLA, Planning, Women's Affairs, Rural Development and Agriculture, have proceeded to prepare draft submissions in advance of the programming meetings which will take place in February. Given the new impetus on the Organic Law, the need for various systems and procedures to be reviewed and designed in preparation for 2009 and unforeseen requirements that will emerge from the national program design, the delay in programming of at least a portion of these resources may be fortuitous. It is anticipated that contract preparation for the above resources will be completed by end March with implementation beginning in April.

5.3.5 PSDD Support to Other Investment Funds

PSDD harmonized support to sub-national governance and technical capacity has a direct or indirect role in facilitating efficient and effective implementation of all sub-national investments in the NCDD AWPB. In 2008 there are 13 projects in addition to the RGC CS Fund that will receive direct support from PSDD primarily in the form of technical and financial support to the ExCom units which are engaged in execution of these projects. There are an additional 4 projects which do not utilize the services of the ExCom but work closely with the Provincial Local Administration Units for which indirect support is provided.

The table below provides some summary information on the projects/components that will be directly or indirectly supported by PSDD in 2008. Under the CS Fund, both

the RGC budget allocation and the WB/RILG allocation are directly supported. Of the nine projects providing CS targeted allocations, five are directly supported and four (two ADB projects, USAID/LAAR and UNFPA) are indirectly supported. The investment allocations from all five projects supporting various district initiatives are supported by PSDD and the investment allocations from all six projects supporting provinces are supported by PSDD. In total, \$ 35.5 million of sub-national investment from 14 sources will be directly supported by PSDD in 2008.

Table 21: PSDD Support to Other Projects Investment Funds

Category	CS Fund	CS Targeted	District	Province	TOTAL
Projects	2	9	5	6	18
Direct	2	5	5	6	14
Indirect	0	4	0	0	4
Resources	22,469,136	10,848,143	3,954,505	6,161,975	43,433,759
Direct	22,469,136	2,948,446	3,954,505	6,161,975	35,534,062
Indirect		7,899,697			7,899,697
Target Areas	1,621	1,120	125	19	
Direct	1,621	1,084	125	19	
Indirect	0	724	0	0	

On the following pages, tables 22, 23, and 24 present details on investment allocations and coverage area of other projects under the NCDD framework supporting CS targeted, district and province respectively.

It should be noted that each of these projects or components has different project documents, logframes, target sectors and target areas, executing arrangements and reporting requirements. As such it is not easy to provide the type of comprehensive information on strategies and outputs that would be possible under a unified national program with enhanced harmonization. In 2008, only five of the 14 projects directly supported will be executed by the NCDD/PST in full or in part: the World Bank's RILG, LASED and DDLG/OWSO projects; the Danida-UK/NRM in D&D and the UNCDF/IDLD project. For the agriculture portfolio supported by IFAD and Canada, PSDD provides comprehensive technical assistance but the projects are executed by Ministry of Agriculture.

Planned PSDD support in 2008 to the above projects includes support to structures, systems and investments and as such does not fit neatly in the logframe structure. While those core activities of the WB/RILG, Danida-UK NRM in D&D and UNCDF IDLD projects supported by PSDD are incorporated into the work plan, the following additional activity statements are included under Activity 5.3.6 PSDD Support to other Projects Investment.

Table 22 : 2008 Targeted CS Allocations form Other Projects

GIS	Province / Municipality	Projects Directly Supported by PSDD												Others	
		DAN/UK NRM/D&D		UNICEF/SK		IFAD/RPRP		WB/LASED		GRET		TOTAL		TOTAL	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	Banteay Meanchey											0	0	30	190,500
2	Battambang											0	0	127	1,413,848
3	Kampong Cham	143	572,000					5	150,000			148	722,000	60	116,400
4	Kampong Chhnang											0	0	3	348,243
5	Kampong Speu	82	328,000	87	80,000							169	408,000	12	240,000
6	Kampong Thom			81	80,000							81	80,000	41	436,243
7	Kampot											0	0	13	260,000
8	Kandal									2	45,000	2	45,000	43	458,600
9	Koh Kong	26	104,000									26	104,000	13	6,500
10	Kratie	46	184,000					5	150,000			51	334,000	46	23,000
11	Monduliri	21	84,000									21	84,000	25	90,500
12	Phnom Penh											0	0	0	0
13	Preah Vihear											0	0	0	0
14	Prey Veng			116	100,000	98	88,285					214	188,285	37	86,300
15	Pursat	36	144,000									36	144,000	62	1,630,053
16	Ratanakiri	49	196,000									49	196,000	10	200,000
17	Siem Reap	69	276,000									69	276,000	69	1,482,810
18	Sihanoukville	22	88,000									22	88,000	0	0
19	Stung Treng			34	34,000							34	34,000	5	100,000
20	Svay Rieng			80	80,000	50	25,751					130	105,751	43	101,700
21	Takeo									3	94,410	3	94,410	61	391,000
22	Otdar Meanchey			24	25,000							24	25,000	4	80,000
23	Kep	5	20,000									5	20,000	4	80,000
24	Pailin											0	0	16	164,000
	TOTAL	499	1,996,000	422	399,000	148	114,036	10	300,000	5	139,410	1,084	2,948,446	724	7,899,697

Note: Development Partner projects not directly supported by PSDD include: ADB TSLI, ADB CCDP2, USAID LAAR and UNFPA

Table 23 : 2008 District Investment from other Projects Supported by PSDD

No.	PROVINCE / MUNICIPALITY	Danida/UK		EC/UNDP		World Bank				UNCDF		GRAND TOTAL	
		NRML		DDLG		DDFG/OWSO		LASED		IDL		DISTRICTS	
		#	Amount	#	Amount	NO.	Amount	NO.	Amount	NO.	Amount	NO.	Amount
01	Banteay Meanchey					1	61,045					1	61,045
02	Battambang					1	33,595					1	33,595
03	Kampong Cham	13	390,000	7	210,000	1	61,045	1	20,000			22	681,045
04	Kampong Chhnang			4	120,000							4	120,000
05	Kampong Speu	6	180,000									6	180,000
06	Kampong Thom					1	61,045					1	61,045
07	Kampot											0	0
08	Kandal			6	180,000	1	61,045					7	241,045
09	Koh Kong	7	210,000	4	120,000							11	330,000
10	Kratie	5	150,000			1	61,045	1	20,000			7	231,045
11	Mondolkiri	5	150,000									5	150,000
12	Phnom Penh			3	90,000							3	90,000
13	Preah Vihear											0	0
14	Prey Veng			6	180,000	1	61,045			2	60,000	9	301,045
15	Pursat	6	180,000									6	180,000
16	Ratanakiri	9	270,000	4	120,000							13	390,000
17	Siem Reap	10	300,000			1	33,595					11	333,595
18	Sihanoukville	3	90,000	3	90,000	1	61,045					7	241,045
19	Stung Treng											0	0
20	Svay Rieng			3	90,000					2	60,000	5	150,000
21	Takeo			4	120,000							4	120,000
22	Otdar Meanchey											0	0
23	Kep	2	60,000									2	60,000
24	Pailin											0	0
GRAND TOTAL		66	1,980,000	44	1,320,000	9	494,505	2	40,000	4	120,000	125	3,954,505

Table 24 : 2008 Provincial Investment from other Projects supported by PSDD

GIS	PROVINCE / MUNICIPALITY	DANIDA/UK	UNICEF	IFAD		EC-UNDP	CANADA	TOTAL
		NRM PIF	Seth Koma	RPRP	RULIP	EFMP	ADMAC	
01	Banteay Meanchey						100,542	100,542
02	Battambang					1,254,321	275,955	1,530,276
03	Kampong Cham	88,500						88,500
04	Kampong Chhnang							0
05	Kampong Speu	50,500	209,600					260,100
06	Kampong Thom		209,300					209,300
07	Kampot							0
08	Kandal							0
09	Koh Kong	31,250						31,250
10	Kratie	33,650			247,490			281,140
11	Mondolkiri	25,300						25,300
12	Phnom Penh							0
13	Preah Vihear				312,670			312,670
14	Prey Veng		262,000	1,183,377				1,445,377
15	Pursat	35,750						35,750
16	Ratanakiri	38,500			284,410			322,910
17	Siem Reap	55,400						55,400
18	Sihanoukville	24,150						24,150
19	Stung Treng		136,500					136,500
20	Svay Rieng		209,100	830,230				1,039,330
21	Takeo							0
22	Otdar Meanchey		126,000					126,000
23	Kep	17,000						17,000
24	Pailin						120,481	120,481
GRAND TOTAL		400,000	1,152,500	2,013,607	844,570	1,254,321	496,977	6,161,975

5.3.6.1 WB/DFGG-One Window Service Office: Support the component's establishment and integration within the NCDDS/PST structure and systems at national and sub-national level. In association with preparatory financing from WB to the NCDDS/PST, PSDD advisors will support: the establishment of the management arrangements within the NCDDS and PST structures at national and sub-national level, the recruitment and orientation of component staff, preparation of Project Advisory Group meetings to determine functional reassignments to OWSO, and conditions of effectiveness prior to official project start up in 2009.

5.3.6.2 WB/LASED: Support the establishment and integration of the NCDD component of the project within the NCDDS/PST structure and systems at national and sub-national level. Prior to and after approval of the project, expected by April 2008, PSDD advisors will support: the establishment of the management arrangements within the NCDDS and PST structures at national and sub-national level, the recruitment and orientation of component staff and implementation of first year activities.

5.3.6.3 IFAD/RPRP: Support the ongoing strengthening of capacity at Ministry, Province, District and Commune level for provision of agriculture investment.

In addition to ongoing support to poor farmer associations in 85 communes of 13 districts in Prey Veng and Svay Rieng, in 2008 the RPRP project will collaborate with UNCDF/IDLD and PSDD on integrating the project's district based agriculture extension service framework within the two pilot districts to be supported by UNCDF/IDLD.

5.3.6.4 IFAD/RULIP: Support the strengthening of capacity at Ministry, Province and District level for provision of agriculture investment.

Under the Rural Livelihood Investment project, 2008 will be the first full year of implementation and specific focus will be given to training and capacity development in systems and procedures targeting the rural poor in the projects initial 19 target communes in Preah Vihear, Ratanakiri and Kratie.

5.3.6.5 Canada/ADMAC: Support the ongoing strengthening of capacity at Ministry, Province, District and Commune level for provision of agriculture investment.

The specific focus in 2008 under the Agriculture Development in Mined Areas of Cambodia project will be to support the establishment and strengthening of 16 Commune Savings and Credit Groups in 5 districts in Battambang, Banteay Meanchey, and Pailin.

5.4 Output 4: Aid Effectiveness Mechanisms in Place

This output comprises activities related to strengthening aid effectiveness and harmonization measures particularly within the context of formulating the future national program. The following six activities have been identified related to PSDD's support in 2008.

5.4.1 Support to Formulation of SNDD: Harmonization Experience reflected in SNDD design

The design of the SNDD will be undertaken by an NCDD design team supported by a consulting firm financed by the WB/RILG. While the design itself is not an activity under the 2008 PSDD AWPB, considerable support to the design process will undoubtedly be provided through PSDD advisors in the form of: briefing and orientation to the current NCDD management structure and systems; feedback on concepts, design aspects and historical evolution of the D&D reforms; facilitation of field visits and meetings; and discussions on other design work carried out in 2008 that is meant to be incorporated into the SNDD design.

5.4.2 Study on Capacity Development

While planned for 2007 as a Technical Assistance Study, as a result of agreements reached at the PSDD Board Meeting on 6 February 2008, the Study is now called a Capacity Development Study to support the D&D Reforms. The development of the first draft terms of reference for the study has been assigned to a development partner sub-working group and will hopefully be made available to the NCDD in early March 2008. Capacity development in a broad sense incorporates institutions, systems and people and as such the TOR for the study will need to be carefully developed so that it is complimentary to the SNDD design effort which will also be looking at these dimensions. As with the Study on Incentives, the Study on Capacity Development will need to have a buy-in from as many of the development partners as possible to ensure that the outcomes have a broad consensus.

5.4.3 Functional Assignments in the NRM Sectors

With financing from Danida/DfID NRM in D&D, a series of short term consultancies, workshops, meetings and a study tour will be organized in 2008 to continue the work that commenced in 2006/7 on functional reassignments within the forestry, fisheries, land and environment sectors. While implemented through the NCDD/PST, owing to the serious lack of technical assistance under the NRM in D&D component, Danida is expected to play an important role in overseeing and coordinating this effort.

5.4.4 Joint Audit of 2007 Accounts completed by mid-2008

The joint audit of 2007 accounts under the PSDD, RILG, IFAD/RPRP, NRM in D&D and UNICEF/Seth Koma projects has already been advertised and is expected to commence within the first quarter of 2008. It is anticipated that the above five development partners will convene a meeting in the first quarter of 2008 to collectively review the findings of the 2006 Joint Audit of accounts which was issued in December 2007. The harmonized audit arrangements and the specific findings should both contribute to future auditing arrangements under the SNDD.

5.4.5 TWG Meetings effectively organized

The TWG on D&D is a shared responsibility of the NCDD and development partners and is not the responsibility of any individual project. Nevertheless, as the main support project to the NCDDS and PST, ad hoc assistance from PSDD will be expected to prepare reports and briefing materials in relation to TWG agenda items. The internal review of NCDDS and PST management arrangements, Activity 1.1 above, will take into consideration the measures necessary for supporting the TWG. It is also noted that the EC-UNDP/DDLG project is recruiting a new advisor to support the NCDDS and this advisor is expected to devote part of their time to supporting the preparation of materials for TWG meetings.

5.4.6 Formulation of 2009 AWPB under SNDD

The work involved in formulating the NCDD annual work plan and budget is considerable given the large number of projects and volume of resources; the wide variety of donor frameworks, the piecemeal identification of resources available and the time required to ensure adequate dialogue at all levels regarding strategic approaches and partnership. As the SNDD design process is likely to commence only by May 2008 and completed by the end of the year at the earliest, the formulation of the overall 2009 NCDD AWPB and the individual project AWPBs will be considerably more complicated. This issue needs to be set as an agenda item for both TWG and development partner meetings so that clarity on parameters for AWPB formulation can be reached by June and indicative 2009 resource allocations prepared by August so that the 2008 National Workshop can be properly organized and sub-national levels provided with sufficient guidance with which to carry out the programming process by December. As the process is time bound and tied to the government's budget cycle, any serious delays will lead to disruption in 2009. PSDD advisors devote considerable time to supporting the national and sub-national authorities with this complicated process and will be expected to do so again in 2008.

6. Monitoring and Evaluation Work-Plan

It has been recognized that current monitoring and evaluation mechanisms need to be strengthened in order to allow for improved assessment of the extent to which investments through the D&D framework contribute to poverty reduction, as well as a more targeted assessment as to which type of investments have the greatest impact.

The M&E work in 2008 will be driven by the following:

a) PSDD donor requirements as laid out in the PSDD Prodoc LFA indicators

Evaluation priorities and themes identification started back in 2007 together with PSDD Prodoc LFA and indicators formulation, negotiation and finalization process with the PSDD donors. The finalized PSDD LFA and the indicators provided the reference framework for 2008 M&E Work Planning. In preparation, several evaluation studies have been designed for implementation in 2008 (see the section 6.1 and Section 6.2 below).

b) Monitoring and project management needs of the NCDDS and PST enabled programs, investments and services.

During 2007, efforts were made to optimize and to link up of the MIS databases. Also, a needs assessment of how to improve the sub-national M&E system was carried out. Based on lessons learned in 2007, several initiatives to improve the monitoring and MIS of the program are planned for 2008 (see section 6.3 below).

6.1 PSDD LFA-support Baselines and Follow Up surveys

Three indicators for good governance have been selected for study in 2008: accountability, responsiveness and citizen's perception of good local governance. Baselines and follow up surveys are designed for implementation to capture and to document changes along those three indicators. It must be recognized, however, that changes with respect to these indicators rarely occur over a short period of time. It is nevertheless expected that the activities will contribute to a longer term framework with the design of the SNDD.

6.1.1 Enhanced Accountability Mechanism : Baseline and progress monitoring surveys

Investments through the CS Fund and targeted CS allocations amount to over \$ 30 million in 2008 alone. In order to enhance the accountability of the CS Fund for citizens, Provincial Accountability Working Groups were established in late 2005. The findings of the 2007 study on the functioning and perceptions of this accountability mechanism highlighted three key issues: 1) most provinces are not holding monthly meetings; 2) commitment remains mixed; and 3) there is a lack of adequate information, knowledge and procedures governing the work of the AWG and its outcomes.

As indicated in Output 1/Sub-output 4 above, based on the study results revised guidelines have been prepared on the structure and mandate of the AWGs which following NCDD approval will be introduced in 2008 with financing from WB/RILG.

The WB/RILG is planning to carry out a follow up study on the AWG mechanism in 2009 and as such in 2008 a baseline will be established with which to measure progress one year after the revised guidelines have been introduced.

The purpose of this study is to assist the NCDD and its development partners to enhance the accountability of all sub-national investments under the NCDD AWPB and involve citizen's participation in the process. Specific objectives are:

- 1) To ensure AWG reporting formats are revised in order to adequately capture performance and compliance with the guidelines; and
- 2) To establish a baseline on the AWG mechanism to ensure that progress can be measured through follow up surveys in 2009.

6.1.2 Increased Responsiveness of the CS Development Plan and the CS Investment Program to the Commune Socio Economic Development Needs and the CMDGs - Baseline and progress monitoring surveys:

It is well recognized that currently the majority of the CS Fund investment is allocated by CS Councils every year to local infrastructure improvements. As legitimate public goods that are continuously prioritized by villagers, benefit entire communities and improve access in local areas, there is nothing inherently wrong with investing in local infrastructure. While the priorities raised in the CDP/CIP cover a wide range of non-infrastructure issues related to services and livelihood, there are, nonetheless, a number of constraints to their being addressed through the CS Fund. Some of these relate to procedures and facilitation, some relate to perceptions that departments and NGOs will provide support to service delivery and some relate to capacity issues on the part of the CS Councils. Under the category of CS Targeted funds, including NRM in D&D, considerable experience has been developed on CS managed service delivery as well as the constraints and as noted in Output 1 and 2, there are a number of planned activities in 2008 to address the constraints and advocate for increased emphasis on service delivery. The NCDD and several of its development partners are now interested in ways of improving the responsiveness to non-infrastructure priorities raised in the CIP/CDP both through the CS Fund and through the District Integration process. The purpose is to improve the responsiveness towards the CS non-infrastructure priorities raised in the CIP/DDP through a study of the underlying determinants and tracking of the processes in sample provinces. The specific objectives are:

- 1) To design and conduct an in-depth study of all inputs, resources and factors involved and of the underlying processes leading to CS investment decisions.
- 2) To make recommendations for improved responsiveness in the programming of sub-national resources to the service delivery and livelihood priorities raised in the CIP/CDP based on the findings of the in-depth study.
- 3) To establish a system of monitoring and analysis of the responsiveness and outcomes of agreements reached at the District Integration Workshop in relationship to the actual needs expressed by villagers in the commune planning process.

6.1.3 Perception Surveys on select outcome dimensions of the NCDD/PSDD Program - Baseline and progress monitoring surveys:

Important considerations for the D&D Program, for its development partners and for its investment for poverty reduction are to learn from citizen's perceptions and feedback on the relevancy of these investments to their priority needs and on the transparency and accountability with which these investments are managed. The purpose of this study is to improve the responsiveness, accountability and governance of the NCDD/PSDD-enabled program investment by the Commune, District and Provincial Governments through receiving and acting on the feedback from the citizens. Specific objectives are:

- 1) To design a survey system suitable for capturing, analyzing and tracking citizen's perceptions and feedback on the overall governance, responsiveness and accountability with which their local governments plan and respond to their priority needs in the NCDD D&D Program and investment contexts.
- 2) To conduct baseline perception studies and corresponding follow up studies covering:
 - a) Responsiveness; b) Accountability; c) Transparency and d) Citizen's voice, expectations of its government, participation and involvement in Civil Society Organizations.
- 3) To establish a system of monitoring, of analyzing and of reporting on the observed variance between the baselines and the follow up surveys.

6.2 PSDD-LFA evaluation studies of the PSDD-enabled program results, impact and of the processes involved:

The following three evaluative studies have been designed and approved for implementation during 2008:

6.2.1 Investment Appraisal Methodology and Returns on Investment Study:

Investments valued at over \$ 50 million per year are being channelled through the line ministries, provinces, districts and communes under the National Committee for Management of Decentralization and Deconcentration (NCDD) program framework and the majority are technically supported by the PSDD Project. In order to make informed allocations of limited resources to sustainable poverty alleviating investments, projects and services, it is crucial for the provincial and local governments and the NCDD to understand how and to what extent these investments have measurably benefited the rural communities and contributed to livelihoods improvement in order to document and guide future decision-making.

The purpose of the study and the analysis of results would be to:

- a) inform policy and decision makers about the relevancy, effectiveness and efficiency of the investment programs; and

b) improve the quality of decision-making by the PRDC/ExCom, Districts, CS Councils and participating line agencies, as a result of better information and analysis about the costs, likely returns and distribution of benefits associated with different investment types.

6.2.2 Follow Up to 2003 Baseline Socio-Economic Benefit Study and Methodology:

To inform the SNDD program formulation and in order to make the new program more relevant and sensitive to rural livelihood improvements, it is considered important and timely to study the contributions to rural livelihood and service delivery improvements under the evolving D&D framework and to document some of the less-known and less-documented and yet important socio-economic benefits attributable to D&D over the past few years.

In 2003, under the WB/RILG, a baseline was established in an effort to determine whether or not decentralized commune investments were contributing to poverty alleviation. One of the key recommendations was to conduct follow up impact surveys. A follow up to the 2003 socio-economic baseline is proposed with a revised and updated methodology. The purpose of the study is to inform the “new SNDD program formulation” of the evidence of key socio-economic benefits and lessons accruing from 5 years of D&D investments at commune level through appropriate research methodologies and a follow up study using the methodology. The objectives are:

- 1) Together with NCDD/PST management and the PST M&E Unit, design an initial research framework and methodologies and tools suitable for addressing the broader issue of linking investments in local governance through NCDD to impacts on poverty alleviation.

- 2) In the context of the first objective, and applying the methodology and tools thus developed, conduct a follow up to the 2003 baseline focusing on the change in socio-economic benefits, with a focus on services and livelihoods.

6.2.3 Formative Evaluation and Outcome Monitoring Study:

M&E of the overall NCDD program is important and yet at the same time is complex. In particular, M&E as inputs to policy work and to informed D&D programming has been a challenge and needs improvement. Traditional M&E methods and tools are not sufficient. There is now an urgent need for NCDD management to deepen its understanding of its processes and results as part of annual work planning and programming. A system of formative evaluation and outcome monitoring has been identified as a priority M&E activity and a study has been designed to pilot test a process-based and learning-oriented formative and outcome monitoring methodology. The purpose is to generate information, evidence and increased understanding of the program and resultant change at the outcome and process levels. The objectives are:

- 1) To design and demonstrate a locally manageable, user-friendly and learning oriented formative evaluation system specific to the NCDD/PSDD context and to its projects and investments.
- 2) To demonstrate and document ways and means of feeding back the formative evaluation findings and products into the D&D policy debate and into the NCDD/PSDD programming and decision making systems.
- 3) To develop local capacities to manage and sustain the above formative evaluation systems and processes via know-how transfer.

6.3 Project Management-support M&E and MIS:

Several initiatives are planned to further strengthen both the MIS and monitoring system:

6.3.1 Socio-Economic Impact Evaluation of C/S Fund Roads (RILG):

The study is in follow up to the 2003 baseline to document the impact of the road projects. It is expected to be conducted in 2008 Quarter 1.

6.3.2 M&E Base-lining (RILG):

Under the WB/RILG Additional Financing, funds have been programmed to support the development of baselines in association with the SNDD. In 2008, preparatory work will be undertaken with the SNDD design team to determine the baseline requirements, one or more studies designed and the procurement process initiated by the end of the year for the studies to be undertaken in the first half of 2009.

6.3.3 Design of NCDD MIS :

With funding from Danida, the private firm Aruna Technology, who designed the Cambodia Geographic Atlas (CGA), will be hired first to carry out a scoping mission and then to implement the design and development of a MIS system for the NCDDS. The work will involve: the conceptualization of the CGA-based MIS and its adaptation for use by the NCDDS; the review and possible reformatting of the current data bases (five in total) used by NCDDS/PST prior to their being downloaded into the CGA; the identification of additional data needs by the NCDDS and PST; and the preparation of standard report formats. As a geographic-based system that has already been fully developed, this work will solve the long outstanding issue of linking the data bases currently in use enabling improved analysis, monitoring and reporting.

6.3.4 M&E framework formulation for the new SNDD program:

The M&E framework needed to support the new SNDD program is likely to commence once the design process is advanced and it is expected that PSDD will directly or indirectly contribute to this process.

6.3.5 Strengthening of sub-national monitoring system:

Based on the 2007 M&E Needs Assessment findings and recommendations, several skills-building events will be organized in 2008.

7. Consultancy Plan

It was suggested to the development partner working group that efforts be made to coordinate the development and scheduling of consultancies and studies in 2008 in order to: reduce the burden on the NCDD during a year when focused attention is needed for the national program design and to reduce any redundancies or overlap. It is understood that efforts have been made in this regard but that there are still quite a large number of consultancies and studies planned most of which involve dialogue with NCDD and NCDDS management.

For the purposes of the 2008 PSDD AWPB, the following table reflects those consultancies funded by PSDD or by other partner projects for which PSDD advisors will be expected to contribute to TOR design, facilitation of work planning, organization of feedback sessions and follow up on recommendations. Many of these assignments have been identified in previous sections of this document.

Table 25: 2008 Consultancy Plan

2008 Consultancy Plan			
Title	Description	Cost	Fund Source
Review of TA	Review of the current tasks of TA and their roles with regards to capacity building, capacity substitution, accountability and partnership arrangements, and propose alternative options for how to manage capacity building and accountability issues	50,000	PSDD (UNDP)
Review and design of incentive scheme for SNDD	Review of the current NCDD salary incentive arrangements and design new incentive scheme within the context of the SNDD that is acceptable to government and development partners	50,000 30,000	PSDD (UNDP) Danida/MDLF
Enhanced Accountability Mechanism	Design of progress monitoring system for accountability working group mechanism	24,000	PSDD (PST)
Responsiveness to CS Plan	Survey and design of system for monitoring and analysis of responsiveness to service delivery/livelihood priorities in CDP/CIP	24,000	PSDD (PST)
Perception Surveys	Design of survey system for capturing, analyzing and tracking citizen's perceptions of PDD outcome dimensions at CS level	24,000	PSDD (PST)
Returns on Investment Studies	Design of simple cost benefit analysis methodology and application to selected PSDD investments	75,000	PSDD (PST)
Follow up to 2003 SE Baseline	Design of research framework and methodologies for assessing investment impact on poverty alleviation and application as follow up to 2003 WB/RILG SE Baseline	75,000	PSDD (PST)
Formative Evaluation/ Outcome Monitoring	Design and implementation of learning oriented formative evaluation of local governance and development processes	250,000	PSDD (PST)

2008 Consultancy Plan (continued)			
Title	Description	Cost	Fund Source
Development of NCDD MIS	Based on geographic application used for the Cambodia Atlas, incorporate current NCDDS/PST databases, develop standard report formats, identify additional data requirements	70,000	Danida/MDLF
Design and development of a Categorical Grant for NRM	Finalize design of categorical grant for NRM channelled through treasury system	65,000	Danida/MDLF
Functional Assignments in NRM Sectors	Functional assignments in NRM sectors (forestry, fisheries, land and environment)	50,000	Danida/MDLF
Review/ development of 1 st addition of Green Book	Update and publish CS service delivery handbook	64,000	Danida/MDLF
CS Budget Execution Study	Review of CS budget cycle and procedures and formulate recommendations to improve efficiency	55,000	World Bank
Socio-economic impact of CS roads	Study of the socio-economic impact of the roads funded by the CSF.	75,000	World Bank
M&E Baselineing	Baseline studies to be designed in relation to the SNDD and RILGP2	80,000	World Bank
Technical Manual Revision	Improvement and updating of the Seila Technical Manual	100,000	World Bank
District Finance System	Initial design of district finance system and work plan for	24,800	World Bank
Process Audit : CS Planning system	Audit of CS implementation of revised CS planning guidelines	50,000	World Bank
Revision of CS Financial Procedures	Based on CS Budget Execution Study revise CS financial procedures through sub-decree	12,400 15,000	World Bank UNCDF
District/ Commune Planning System review	In light of organic law and establishment of District Councils, review current commune and district planning system and formulate recommendations for redesign.	30,000	UNCDF
Two-tier financial model/ guidelines at CS and District level	Develop conceptual framework for two – tier financial system to be piloted under UNCDF IDLD	20,000	UNCDF

8. Summary 2008 Budget

The 2008 PSDD AWP budget has been prepared in accordance with the revised project logframe structure. Against each of the 56 activities covered in this document detailed calculations were prepared based on: estimated time allocations per activity for 170 advisors and 50 PST staff and estimated allocations of operations budgets per activity. The summary 2008 PSDD Budget and the detailed costing of each activity are provided in tables on the following pages.

Numerous assumptions must be made of course in preparing a budget in this conceptual manner but the results are nevertheless considered realistic. As nearly the entire PSDD budget is contracted out in one form or another to Ministries, provinces, departments or individuals against work plans or terms of reference, budget management under the PST follows a contractual approach. The tension between conceptual budget management requested by individual donor projects and contractual budget management which is more suitable for a national program based approach will probably continue until such time as hopefully the new national program will establish one common framework and understanding between government and donors. In 2008, it is intended to satisfy both approaches with output and activity reporting according to the conceptual framework and budget management in accordance with contracts signed with implementing entities.

Table 26 : 2008 PSDD Budget Summary

Budget Item	Output 1	Output 2	Output 3	Output 4	M&E	Total	% Total
PSDD/UNDP Staff							
International TA	259,900	61,400	147,750	82,200	148,750	700,000	6%
National TA at National Level	175,483	47,333	103,225	8,880	38,079	373,000	3%
National TA at Provincial Level	527,205	36,425	1,107,491	-	122,379	1,793,500	15%
Consultancies	24,000	50,000		50,000		124,000	1%
Sub-Total UNDP TA	986,589	195,158	1,358,466	141,080	309,208	2,990,500	26%
2. National Execution (NEX) by NCDD							
2.1 Investments							
Commune Development Fund			500,000			500,000	4%
CS Categorical Grant for CCWC	250,000	50,000				300,000	3%
District Funds	35,000		315,000			350,000	3%
Provincial Investment Fund			1,800,000			1,800,000	15%
Ministries/NCDD Sub-Committees support	100,000	150,000	75,000	150,000	25,000	500,000	4%
Subtotal for investments	385,000	200,000	2,690,000	150,000	25,000	3,450,000	29%
2.2 Provincial Program Support							
ExCom Units	1,193,637	15,706	1,900,396	-	31,412	3,141,150	27%
PSDD Provincial Advisory Team Support	188,244	2,477	299,705	-	4,954	495,380	4%
Subtotal for Provincial Program Support	1,381,881	18,183	2,200,101		36,365	3,636,530	31%
2.3 National Program Support (NCDD Budget)							
NCDDS Staff	162,990	11,742	133,075	66,537	15,656	390,000	3%
Consultants	38,560	41,600	16,000	24,000	315,840	436,000	4%
Duty Travel PLG	14,627	1,054	11,943	5,971	1,405	35,000	0%
Duty Travel NCDD	16,717	1,204	13,649	6,824	1,606	40,000	0%
Audit NCDD	-	-	-	100,000	-	100,000	1%
Operational costs NCDD	20,896	1,505	17,061	8,530	2,007	50,000	0%
Local Procurement	30,000	-	-	-	-	30,000	0%
Study Tour / Workshop / Training	-	-	-	5,000	-	5,000	0%
Contingency	20,000	-	-	-	-	88,470	1%
Sub-total for National Program Support	303,791	57,105	191,727	216,863	336,514	1,174,470	10%
Sub-Total NEX	2,070,672	275,288	5,081,827	366,863	397,879	8,261,000	71%
3. UNDP Direct							
AOS/CO						448,500	4%
Grand Total	3,057,261	470,446	6,440,293	507,943	707,087	11,700,000	100%
<i>Percentage per component</i>	26%	4%	55%	4%	6%	100%	

Table 27 : 2008 PSDD AWPB – Budget by Activity

NO.	OUTPUT/ACTIVITIES	National Execution				UNDP Technical Support					PSDD Total	
		Investment	Program Support			ITA	NTA	PNTA	Consult	Total		
			Provincial	National	Consult							Total
1	STRUCTURES											
1.1	Restructuring NCDDS and PST		0	32,500	0	32,500	41,000	1,523	0	24,000	66,523	99,023
1.2	Strengthening CCW/C	250,000	36,365	1,500	0	287,865	0	3,924	20,188		24,112	311,978
1.3	Evaluation/structure of District	35,000	0	7,550	3,200	45,750	8,500	5,184	0		13,684	59,434
1.4	Restructuring AWG		36,365	3,000	160	39,525	0	6,785	26,992		33,777	73,302
1.5	Strengthening TSU		36,365	0	0	36,365	3,200	6,021	22,833		32,053	68,419
1.6	NCDD Training Plan		363,653	0	0	363,653	0	14,979	40,376		55,355	419,008
1.7	Process Audit: CS Planning		0	1,000	1,600	2,600	0	1,523	0		1,523	4,123
1.8	Process Audit: CS Project Implementation		0	1,000	1,600	2,600	0	1,523	0		1,523	4,123
1.9	Citizen's Engagement in CS Budgeting		0	0	0	0	3,200	609	0		3,809	3,809
1.10	Support to Provincial Management Structure		909,133	33,000	0	942,133	0	0	416,817		416,817	1,358,949
1.11	Support to DoLA		0	0	16,000	16,000	0	39,627	0		39,627	55,627
1.12	Support to NCDDS/PST		0	185,681	16,000	201,681	213,000	93,785	0		306,785	508,466
	<i>subtotal</i>	285,000	1,381,881	265,231	38,560	1,970,672	268,900	175,483	527,205	24,000	995,589	2,966,261

2008 PSDD AWPB: Budget by Activity												
NO.	OUTPUT/ACTIVITIES	National Execution				UNDP Technical Support					PSDD Total	
		Investment	Program Support			ITA	NTA	PNTA	Consult	Total		
			Provincial	National	Consult							Total
2	SYSTEMS											
2.1	District/Commune Planning System		0	3,500	6,400	9,900	0	4,115	0	4,115	14,015	
2.2	Categorical Grant for CCWC		0	0	0	0	8,500	1,548	0	10,048	10,048	
2.3	Categorical Grant for NRM in D&D							868		868	868	
2.4	CS Budget Execution Study		0	0	0	0	5,600	2,685	0	8,285	8,285	
2.5	Revision CS Financial procedures		0	3,500	6,400	9,900	2,400	2,486	0	4,886	14,786	
2.6	District finance system 2009		0	3,500	6,400	9,900	3,200	6,346	0	9,546	19,446	
2.7	Strategic Workplan on Fiscal Decent.		0	0	0	0	6,400	1,877	0	8,277	8,277	
2.8	Revision of PIM		0	0	6,400	6,400	8,000	6,728	0	14,728	21,128	
2.9	Technical Manual on CS Service Projects		0	0	0	0	4,800	8,735	0	13,535	13,535	
2.10	Revision/Dissemination of Green Book		0	0	0	0	0	1,301	0	1,301	1,301	
2.11	Revision of Technical Manual/Templates		0	0	0	0	3,200	4,014	0	7,214	7,214	
2.12	Safeguards Monitoring System		18,183	0	0	18,183	3,200	0	26,992	30,192	48,375	
2.13	Strategy for infrastructure maintenance		0	0	0	0	1,600	4,014	0	5,614	5,614	
2.14	SNDD Merit based Incentive System		0	5,005	16,000	21,005	8,500	609	0	59,109	80,114	
2.15	Harmonization of procurement guidelines		0	0	0	0	6,000	2,007	0	8,007	8,007	
	<i>subtotal</i>	0	18,183	15,505	41,600	75,288	61,400	47,333	26,992	50,000	185,725	261,013

2008 PSDD AWPB: Budget by Activity												
NO.	OUTPUT/ACTIVITIES	National Execution				UNDP Technical Support					PSDD Total	
		Investment	Program Support			ITA	NTA	PNTA	Consult	Total		
			Provincial	National	Consult							Total
3	INVESTMENT											
3.1	Support to CS Fund	500,000	1,127,325	13,000		1,640,325	0	2,815	259,641		262,456	1,902,781
3.2	Support to District Investment	315,000	181,827	22,000		518,827	0	0	116,479		116,479	635,305
3.3	Support to Provincial Investment	1,800,000	181,827	5,727		1,987,554	0	0	74,685		74,685	2,062,239
3.4	Support to National Ministries Services	75,000	0	5,000		80,000	52,750	20,904	0		73,654	153,654
3.5	Support to Other Project Investments		727,306	130,000	16,000	873,306	95,000	79,506	638,503		813,009	1,686,315
3.5.1	Support to WB/DFGG-OWSO											
3.5.2	Support to WB/LASED											
3.5.3	Support to IFAD/RPRP											
3.5.4	Support to IFAD/RULIP											
3.5.5	Support to Canada/ADMAC											
	<i>subtotal</i>	2,690,000	2,218,284	175,727	16,000	5,100,011	147,750	103,225	1,089,308	0	1,340,283	6,440,293
4	AID EFFECTIVENESS											
4.1	SNDD design/Harmonization experience			51,000	16,000	67,000	25,000	1,523	0		26,523	93,523
4.2	Study on Technical Assistance			0	8,000	8,000	12,750	1,523	0	50,000	64,273	72,273
4.3	Functional Assignments for NRM sectors			0	0	0	0	4,339	0		4,339	4,339
4.4	Joint Audit of 2007 accounts			100,000	0	100,000	7,200	808	0		8,008	108,008
4.5	Support to TWG			5,333	0	5,333	4,250	0	0		4,250	9,583
4.6	Formulation of first SNDD AWPB 2009			50,000	0	50,000	33,000	609	0		33,609	83,609
	<i>subtotal</i>	0	0	206,333	24,000	230,333	82,200	8,804	0	50,000	141,004	371,337

2008 PSDD AWPB: Budget by Activity												
NO.	OUTPUT/ACTIVITIES	National Execution					UNDP Technical Support					PSDD Total
		Investment	Program Support				ITA	NTA	PNTA	Consult	Total	
			Provincial	National	Consult	Total						
5	MONITORING AND EVALUATION											
5.1	Enhanced Accountability Mechanism		650	24,000	24,650	9,000	0	0		9,000	33,650	
5.2	Responsiveness to CS Plan		650	24,000	24,650	9,000	2,691	0		11,691	36,341	
5.3	Perception Surveys		650	24,000	24,650	15,000	2,974	0		17,974	42,624	
5.4	Returns on Investment Surveys		650	75,000	75,650	9,000	3,085	0		12,085	87,735	
5.5	Follow up on 2003 Baseline Study		650	75,000	75,650	9,000	1,784	0		10,784	86,434	
5.6	Formative Evaluation/Outcome Monitoring		650	250,000	250,650	15,000	2,974	0		17,974	268,624	
5.7	SE Impact of CS Roads		650		650	17,000	2,082	0		19,082	19,732	
5.8	M&E Baseline		650		650	21,250	2,082	0		23,332	23,982	
5.9	NCDD MIS formulation		650		650	8,750	11,448	0		20,198	20,848	
5.10	Support to design of SNDD M&E System		8,000		8,000	13,250	3,141	0		16,391	24,391	
5.11	Strengthening of Sub-national Monitoring		36,365	6,824	10,000	53,189	22,500	5,818	122,379	150,697	203,886	
	<i>subtotal</i>	0	36,365	20,674	482,000	539,039	148,750	38,079	122,379	0	309,208	848,247
	GRAND TOTAL	2,975,000	3,636,530	683,470	602,160	7,897,160	709,000	372,924	1,784,067	124,000	2,989,991	10,887,151

Annex 1: NCDDS/PST Management Response to Issues Raised at PSDD Board Meeting : 6 February 2008

At the PSDD Board Meeting on 6 February 2008, eight issues were raised by development partners requiring a management response before formal approval of the 2008 PSDD AWPB. The management response below, formally included in the AWPB document, both reiterates the responses given at the meeting and provides additional background and substance to the issues raised.

1. Strengthening Ownership of the Process of Preparation/Development of the 2008 PSDD and NCDD Documents

As mentioned at the meeting, there is already strong ownership by the government of the process of formulating both the NCDD and PSDD AWPBs. The issues and planned activities that are included in the AWPBs to address the issues were discussed thoroughly within government, between government and advisors and between government and the various project parties concerned through numerous meetings and workshops at all levels between September 2007 and January 2008. As such the NCDDS and PST feel a strong sense of ownership of the content of the work plan. The actual drafting of the documents in English is done by advisors with the drafts reviewed and discussed again before finalization. Given the overall complexity of the program, the exacting demands from donors and the need for a quality document in English that summarizes and describes the consensus reached by government, it is not easy for PST management to develop their English writing skills to a level that would meet the requirements of such an important document. We believe that this is one of the roles of advisors which has little bearing on issues of ownership for the agreed allocations and activities included in AWPBs.

2. Prioritization of the activities in 2008

The 56 activities included in the 2008 PSDD AWPB are derived from PSDD priorities laid out in the revised PSDD logframe and from the logframes and priority outputs of AWPBs for the WB/RILG, MDLF NRM in D&D and UNCDF/IDLD projects which are supported by PSDD. Subsequent to the meeting, the number of activities has been reduced to 49 and the AWPB text amended accordingly. While it is understood that PSDD donors are concerned over the ambitious number of priorities, many of these are included in signed work plans and budgets of other donor projects. The PST will consider prioritization in the course of 2008 implementation, make adjustments as necessary based on progress and report on progress and adjustment in the PSDD mid-year review and progress report. It is not considered practical at this point to carry out another review of the planned activities until implementation commences in full.

3. M&E: Reduce transaction costs by outsourcing consultancies, fix the MIS system through better linkage between data bases, review of the M&E system at all levels

Outsourcing consultancies: While the PST appreciates the PSDD donors' proposal to reduce transaction costs, consultancies by their very nature are all outsourced. The transaction costs relate to the design and approval of TORs, the procurement process and the administration of consultants' contracts. As such the only measure that can

reduce transaction costs is for donors or other agencies themselves to take on the responsibility for TOR preparation, procurement and contract administration for consultancies focused on M&E. In the 2008 PSDD AWPB, some measures were taken on this in that the consultancies for the Capacity Development Study and the Incentives Study have been shifted from the NEX-managed budget to the UNDP-managed budget. Looking ahead to the future national program, it would be useful to discuss how a significant portion of the evaluation work could be outsourced to another agency which would both ensure an external nature to the evaluations and reduce transaction costs. The previous experience under Seila/PLG with the Permanent Advisory Team contracted by DfID to carry out two strategic reviews per year of the program is considered as a positive example of how this may be done.

Fix the MIS System through better Linkage between Data Bases: As discussed at the meeting, the current PST MIS data bases produced all of the detailed information in the 2007 PSDD Annual Report and *in themselves* are considered to be some of the most impressive and useful data bases operating today in Cambodia. The issue of linking the data bases is fully recognized and a consultancy is included in the 2008 AWPB financed by the MDLF which is planned to start in mid-February. Aruna Technology, which developed the software for the Cambodia Atlas, will be contracted to review and incorporate all of the existing PST data bases into their software as a first step towards design of the NCDD MIS system. We are quite confident that this work will resolve the issue of linking data bases.

Review of the M&E System at all Levels: This proposal is accepted and some work has already been undertaken through the assessment of the M&E system undertaken in 2007 and through the documentation of all reporting currently being undertaken contained in the PSDD Advisory Services Management Plan. We will need to discuss how best to undertake this review and may require additional resources to recruit a consultant for the task. This review should be linked to the formulation of the SNDD M&E system by building on what is already in place, identifying the weaknesses and gaps and developing a work plan for step by step improvements to the system.

4. Greater focus on social service delivery, community participation methodologies, creation of social capital

As mentioned by the Chair of the PSDD Board, there is a tendency at times to see D&D and the NCDD AWPB as the solution to all issues affecting local development. The issue of whether the PSDD, and previously the PLG, project should include in its already ambitious agenda the explicit objective of strengthening civil society has a long history. It is fully recognized that for effective poverty alleviation the roles of private sector, civil society/community development and local governance are all important. The issue is whether these three very distinct components should or can be best managed under a single framework. Some would argue that the methodologies required for the three components are so different that they can not or should not be addressed through a common management structure or project. Under this line of thinking, the key is to build effective linkages and partnerships that best ensure that the three components interact in a synergistic manner without any of the three being dominated by the other through single management. We believe that it is for this very reason that the Danida/DfID-supported NRML, for example, has a separate civil society component focused on creating demand that is independently managed from

the NRM in D&D component. In addition to this large component, there are several other very large initiatives financed by the World Bank and DfID, USAID/LAAR as well as other projects financed by Sida and UNDP which focus on civil society, social capital and strengthening local demand. As such, with over \$ 20 million already programmed by development partners through other projects focused on this objective, it would appear to us that the issue is not lacking funds but perhaps needs better linkage or synergy.

That being said, the efforts that are being made under the NCDD AWPB and with PSDD support to address social service delivery and social capital are considerable and achievements are noted in the 2007 Annual Report particularly in the sections related to: IFAD/Canada and the thousands of farmer groups/associations/credit groups that have been formed; MDLF NRM in D&D and the hundreds of projects focused on livelihoods; and UNICEF/Seth Koma support to social services in 6 provinces. As the PST Director noted at the meeting, the emphasis for PSDD should be placed on improving the existing structures and initiatives and not establishing new ones. The most important new activity that has been included in the 2008 PSDD AWPB is the support to 1,200 CCWC's which we note is welcomed by the PSDD donors. This is a very ambitious undertaking in itself and will require considerable attention, coordination and communications to ensure a quality output. We believe that adding anything additional in 2008 will detract from this very important initiative.

In conclusion, we would suggest that development partners discuss the issue of how best to develop synergies between the very large civil society initiatives already funded and the D&D local governance framework and we would be happy to discuss any proposals that emerge.

5. Provide copies of NCDD sub-committee mandates and include discussion on how DP's can support in TWG meetings

Copies of the English translation of the NCDD decision establishing NCDD Sub-committees which describe the various mandates were sent to the PSDD donors on 8 February. We will suggest to the appropriate authorities that some discussion on this be included in the next TWG meeting.

6. Prioritize consultancies for 2008

We welcome any effort to prioritize and reduce the number of planned studies and consultancies in 2008, particularly so that concentrated attention can be given to the design of the new national program in the second half of the year. The issue is somewhat complicated by the fact that most of the studies/consultancies contained in the 2008 PSDD AWPB are incorporated into AWPBs already approved with WB/RILG and NRM in D&D or are related to M&E studies prioritized by the PSDD development partners themselves.

7. Move beyond advocacy to focusing on real changes in the engagement of men and women in all aspects of what PSDD supports and measure the changes.

We were not able to properly discuss this issue at the meeting unfortunately and we do believe that the enormous work undertaken over the past many years is perhaps not

well understood. As a starting point it is *strongly* recommended that PSDD donors read the report of the External Evaluation of the Seila Gender Mainstreaming Strategy, 2000-2006 (Brereton) which provides ample evidence of the seminal work undertaken in partnership with the NCSC and the Ministry of Women's Affairs. It is safe to say that no other program in the country has done more to mainstream gender into sub-national governance in ways that move well beyond advocacy. Gender mainstreaming starts with advocacy but as you rightly point out can only be measured by real change in terms of attitudes, representation, genderized systems and processes and impact on lives of men and women.

As regards representation, there has been more success at the local level than the higher levels of government. The number of female CS Counselors more than doubled in the last CS elections to a level of 18%, due mostly to advocacy. In addition, by official NCSC/NCDD decisions at least 30% of the 40,000 village representatives are women; 40% of the 36,000 members of planning and budgeting committees are women and efforts are being made to increase the number of women CS clerks. When it comes to representation in civil service, the numbers are quite low and in positions at management level lower still. This will take time to change as it relies on rates of attrition within civil service but we believe there is a move to ensure that new appointments consider a better gender balance. Within the PSDD advisors, the representation of women is not satisfactory but genuine effort is made through recruitment to provide special emphasis on female candidates. The trend of losing good advisors to others is noted in this regard as the previous, senior PSDD NTA female advisor focusing on social services and gender was recruited by UNDP at the end of 2006.

In terms of gender mainstreaming in systems and processes, there has been great success. All planning procedures have incorporated gender issues in their processes and formats. Data collected from the annual CS planning process reveals that 60% of all villages who participate in local prioritization sessions are women and the issues they prioritize together with men appear in every CS Plan; 10-12% of all priorities raised at District Integration Workshops are specific to gender issues; and over 4,000 temporary agreements per year are signed in response to these issues by departments and NGOs. At province level: 8% of the annual PIF is earmarked for support to gender and additional allocations decided on by the PRDC ExComs increased this amount to 12% in 2008 with UNICEF supporting 6 provinces and PSDD 18 provinces; gender is a criteria for all PIF allocations; gender focal points are established in all implementing line departments; all data bases are gender disaggregated; national workshops to review progress and formulate gender mainstreaming plans are organized each year by Ministry of Women's Affairs and attended by governors and ExCom members; and under Agriculture in D&D guidelines at least 50% of the several hundred poor farmers targeted are women and 50% of Commune Extension Workers are women.

While there is always more to be done, through the ongoing collaboration between the NCDD, NCDDS, PST, DoLA and the Ministry of Women's Affairs we believe substantial progress well beyond advocacy has been made. Through this collaboration one of the key activities in 2008 will be the extension of support to the CS Women and Children Committees across the entire country and this will require full attention. The PST will try to improve reporting on outcomes in this regard so that PSDD

donors can be better informed. We believe that with this background, the description of gender mainstreaming priorities in 2008 included in the 2008 PSDD AWPB is sufficient.

8. With new projects coming on board, more clarity needed on additional structures, systems, procedures and staff required and what support is expected from PSDD

The support arrangements for new projects within the PST and the support expected of PSDD advisors is incorporated in the activity focused on the internal review and strengthening of PST management and as such will be an outcome of that activity. Some reporting on this has been included in the draft PSDD Advisory Services Management Plan. The important element is that for all of the new projects that will be implemented by PST in 2008, all additional requirements in term of additional PST staff, advisors, and operations costs have been incorporated into the AWPBs of those projects and will not require financing by PSDD. As PSDD advisors support the overall PST management arrangements, they will be involved in ensuring harmonization of procedures, systems and technical assistance under PST management.

Annex 2: Draft 2008 NCDD Capacity Building Plan

No	Training subject	Strategy
For C/S level (Refresher Training)		
1	C/S Administration	<ul style="list-style-type: none"> • Provincial ToT (Prepared/conducted by Province) • Commune training
2	Commune Investment Program (CIP)	<ul style="list-style-type: none"> • Provincial ToT (Prepared/conducted by Province) • Commune training
3	C/S Fund Project Implementation Manual (Revised PIM inclusion of Service Project Standard Forms)	<ul style="list-style-type: none"> • National ToT (Prepared/conducted by National) • Provincial ToT • C/S training
4	C/S financial system	<ul style="list-style-type: none"> • National ToT (Prepared/conducted by National) • Provincial ToT • C/S training
For C/S level (New Training)		
5	Civil Registration Corrections	<ul style="list-style-type: none"> • Direct training from national (National trainers will provide direct training to provincial, district and C/S)
6	Monitoring and evaluation on C/S project, finance and administration	<ul style="list-style-type: none"> • National ToT (Prepared/conducted by National) • Provincial ToT • C/S training
7	Conflict Resolution	<ul style="list-style-type: none"> • National ToT (Prepared/conducted by National) • Provincial ToT • C/S training
8	C/S Councils Exchange Visits	<ul style="list-style-type: none"> • National level will organize C/S Councils exchange visit.
9	The Prevention and Impact Mitigation of HIV/AIDS in Community (NAA to confirm to DoLA on funding)	<ul style="list-style-type: none"> • National ToT (Prepared/conducted by National) • Provincial ToT • C/S training
For Province, Municipality, District and Khan level		
1	Facilitation skills	<ul style="list-style-type: none"> • Refresher training for DFTs and PFTs (Prepared and conducted by Province)
2	Inter-C/S Project and Implementation Procedure	<ul style="list-style-type: none"> • Refresher training for Provincial and District levels (Prepared/conducted by National)
3	Training skills	<ul style="list-style-type: none"> • National ToT (Prepared/conducted by National) • Provincial trainers will provide direct training to PFTs and DFTs.
4	Progress on D & D in Cambodia (JICA)	<ul style="list-style-type: none"> • National trainers will provide direct training to PFTs and DFTs.
5	Gender mainstreaming	<ul style="list-style-type: none"> • National ToT (Prepared and Conducted by National) • Provincial trainers will provide direct training to PFTs and DFTs.
For National level		
1	Gender concept	<ul style="list-style-type: none"> • Direct training to DoLA Staff
2	Procedure for C/S clerk appraisal	<ul style="list-style-type: none"> • Direct training to C/S Clerk appraisal team

2008 PSDD AWPB Activity Plan

Output 1 : Cambodian-owned management structure in place that promotes voice, responsiveness, delivery capability and accountability														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
1	NCDD/PST Internal Management Review													
	Review PST management arrangements				x									Progress report
	Develop revised organigram			x										Organigram Approved
	Develop national staff plan 2008			x										Staff plan approved
	Review recruitment procedures/guidelines			x										Guidelines approved
	Review job descriptions			x										Job descriptions updated
	Recruit remaining staff against vacancies				x									All staff recruited
	Develop training plan				x									Training plans completed
	Performance appraisal											x	x	Appraisal report completed
2	CCWC established and Functioning													
	Categorical Grant document developed/approved			x										Conditional Grant approved
	2008 Work Plan/Guidelines finalized				x									Plan/guidelines approved
	National Workshop to launch initiative				x									Workshop report
3	District Initiative Internally Evaluated													
	TORs and methodology prepared				x									ToRs done
	Evaluation team identified					x								Team identified, trained
	Evaluation implemented						x							Evaluation report
	Recommendations worked into 2009 AWPB									x				Work plan
4	Revised AWG structure/guidelines implemented													
	Revised guidelines approved by NCDD			x										Updated guidelines approved
	National dissemination of guidelines				x									Meeting reports
	Additional staff recruited					x								Staff in place
	Training designed and implemented						x							Staff trained
	Dissemination materials printed, distributed						x							Materials distributed
	Follow up meetings at national, provincial level						x	x	x	x	x	x	x	Meeting minutes
5	TSU Strengthened based on 2007/2008 Study													
	Study report presented, discussed, accepted				x									Agreements approved
	TORs updated as necessary				x									ToRs updated
	TNA designed/completed						x		x					Training needs reported
	Training materials prepared									x				Manual completed and
	Training implemented										x			Staff trained

Output 1 : Cambodian-owned management structure in place that promotes voice, responsiveness, delivery capability and accountability (continued)														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
6	2008 NCDD Capacity Building Plan Implemented													
	2008 NCDD CB Plan approved		x											Plan available
	Training schedule, budgets prepared			x										Schedule/budget available
	Curriculum developed, approved			x	x	x	x							Documents
	Training implemented				x	x	x	x	x	x	x	x	x	Reports
7	Process Audit of CS Planning Implemented													
	TOR developed/approved			x										TOR approved
	Consultant recruited, PST team prepared						x							Contract issued
	Process Audit implemented								x	x				Consultant report
	Audit recommendations discussed/agreed										x			Meeting minutes
	Action plan prepared/approved												x	Action plan approved
8	Process Audit: CS Project Implementation													
	TOR developed/approved									x				TOR approved
	Procurement initiated											x		Consultancy advertised
	Implementation in 2009													
9	Citizen's Engagement in CS Budgeting													
	Conceptual Framework/Initial Activities developed										x			Report available
	TOR approved											x		TOR available/NOL
	Contract advertised												x	Advertisement
	Implementation in 2009													AWPB
10	Revised TOR for PRDC/ExCom implemented													
	Revised TOR approved by NCDD			x										TOR approved
	Revised TOR disseminated through meetings			x	x	x								Meeting reports
11	DoLA supported for effective implementation													
	Vacancies for PSDD advisors filled			x										Contracts issued
	Lines of accountability reviewed/clarified			x										Report available
	Workplans prepared/approved			x										workplans available
	DoLA staff capacity building plan implemented				x	x	x	x	x	x	x	x	x	Reports
	PST-DoLA contract implemented			x	x	x	x	x	x	x	x	x	x	End of Contract Report

Output 1 : Cambodian-owned management structure in place that promotes voice, responsiveness, delivery capability and accountability (continued)														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
12	NCDDS/NCDDS/PST Supported/Strengthened													
	2008 Operations Budget prepared in detail		x											Budget document
	Results of management review implemented				x	x	x	x	x	x	x	x	x	Progress reports
	FU transfers/reports implemented on time		x	x	x	x	x	x	x	x	x	x	x	Finance reports
	CAU coordinates projects/administers contracts													Data bases updated
	MEIU strengthens M&E system/manages studies			x	x	x	x	x	x	x	x	x	x	Progress reports
	AU improves procurement/admin performance													Progress reports
Output 2 : Systems developed and integrated into new national structures and systems including planning, finance, implementation, reporting, monitoring and personnel management														
13	District/Commune Planning System Reviewed/Developed													
	UNCDF consultancy TOR developed/approved				x	x								Consultant fielded
	Consultancy implemented						x							Consultant report
	Dialogue/agreement on system								x	x				Meeting reports
	Prakas drafted, discussed and approved by NCDD									x	x			Prakas available
	Implementation guidelines drafted/approved										x	x		Guidelines available
	Training materials prepared											x	x	Training materials
	Implementation in 2009													
14	Categorical Grant for CCWC implemented													
	Work plan and guidelines developed/approved			x										Work plan/guidelines
	National Workshop to disseminate WP/guidelines				x									Workshop report
	Transfers to CS through National Treasury				x									Transfers received (reports)
	WP/guidelines implemented					x	x	x	x	x	x	x	x	Progress reports
15	Categorical Grant for NRM in D&D developed													
	Preparation of categorical grant content		x	x	x									Draft document
	Agreements in principle from NCDD/MEF					x								Meeting minutes
	Work plan and guidelines developed/approved							x	x					Work plan/guidelines
	Dissemination to sub-national level									x	x			Reports
	Implementation for 2009 NRM in D&D programming											x	x	
16	CS Budget Execution Study implemented													
	Recruitment of Consultant		x											Contract issued
	MEF/MoI team formed/prepared		x											Team appointed
	Study implemented			x	x									Consultant report
	Recommendations/Action Plan discussed/agreed					x								Action Plan agreed

Output 2 : Systems developed and integrated into new national structures and systems including planning, finance, implementation, reporting, monitoring and personnel management (continued)														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
17	CS Fund Financial Procedures revised													
	Action Plan from CS Bud Execution Study agreed					x								Action Plan available
	Consultant fielded to assist MEF with revisions					x								Contract issued
	Revision to procedures prepared						x	x						Consultant report
	Revised procedures approved									x				Prakas available
	Dissemination of revised procedures to sub-nat level											x	x	Workshop/meeting reports
	Implementation for 2009 CS Budget													
18	District Finance System reviewed/developed/operable in 2009													
	UNCDF consultant briefed						x							Consultant report
	Options for district finance system drafted						x	x						Consultant Report
	Discussions on 2009 RGC budget allocations								x					Meeting minutes
	Principle agreement on 2009 finance system										x			Meeting minutes
	Guidelines prepared and approved										x	x	x	Guidelines available
19	Strategic work plan on Fiscal Decentralization													
	WB-financed FD Advisor recruited				x									Contract issued
	Advisor oriented to assignment					x	x	x						Reports
	Strategic work plan prepared with MEF									x	x			Work plan available
	Action Plan for 2009 developed/approved											x	x	
20	CS Project Implementation Manual Revised													
	Prioritized summary of revisions prepared		x											Document available
	Proposal for 2008 work plan on revisions prepared		x	x										proposal available
	Approval of priorities/work plan by DoLA			x										Work plan available
	Meetings/negotiations with concerned ministries				x	x								Progress reports
	Draft revised texts approved by DoLA				x	x								Text available
	NCDD Approval and WB NOL						x							Manual/NOL received
	Revised PIM printed							x						PIM document available
	Training designed and implemented								x	x				Training plan available
	Revised procedures implemented										x	x	x	Progress reports
	Studies on longer term revisions planned											x	x	Studies designed

Output 2 : Systems developed and integrated into new national structures and systems including planning, finance, implementation, reporting, monitoring and personnel management (continued)														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
21	Technical Manual on Service Projects prepared													
	DDLG Consultant on Service Projects implemented		x	x	x	x	x	x						Consultant fielded
	Consultations with stakeholders			x				x						Consultancy report
	DoLA PIM working group prepares draft					x	x		x	x	x			Draft available
	Technical Manual approved											x		Approval document
	Training materials prepared/tested												x	Training materials available
	Training implemented/Manual applied in 2009													Progress reports
22	Revision/Dissemination of Green Book													
	MDLF consultant contracted/reviews first edition			x										Consultant contracted
	Second edition prepared/approved/printed/distributed						x							Second edition available
23	Infra Technical Manual/Templates revised													
	WB-financed consultancy contracted			x										Consultant contract
	Technical manual/templates revised				x	x	x	x	x	x	x			Consultant report
	Technical Manual approved											x		Approval document
	Training materials prepared/tested											x	x	Training materials
	Training implemented/Manual applied in 2009													Progress reports
24	Revised Safeguards Monitoring System													
	WB-financed budget approved		x											2008 AWPB approved
	Regional Safeguards Advisors recruited				x									Contracts issued
	Dissemination materials/training plan prepared					x	x							Training plan/materials
	Contract issued to Cooperating NGO								x					Contract issued
	Training implemented									x				Training reports
	Updated system functioning for 2009 CSF cycle										x	x	x	
25	Infrastructure Maintenance Strategy													
	WB-financed Infra Advisor recruited				x									Contract issued
	Existing guidelines/experience reviewed					x	x							Progress reports
	Revised guidelines prepared and approved						x	x	x					Guidelines available
	Dissemination through training									x	x			Training reports
	Guidelines applied in 2009													

Output 2 : Systems developed and integrated into new national structures and systems including planning, finance, implementation, reporting, monitoring and personnel management (continued)														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
26	SNDD Merit Based Incentive Scheme													
	NCDDS/DP's reach agreement on TOR			x										TOR approved
	Consultant recruited by UNDP				x									Contract issued
	First phase: review of current scheme/govt policy					x	x							Consultant report
	Second phase: design of incentive scheme								x	x				Consultant report
	Design discussed/agreed with NCDD and DPs											x		Document available
	Merit based incentive scheme applied in 2009													
27	Harmonization of Procurement Guidelines													
	MEF/SOP and NCDD guidelines reviewed			x										progress reports
	MEF, PST, MAFF agree on Action Plan				x									Action Plan available
	IFAD Implementation Manual prepared				x	x	x							Manual approved
	NCDD Finance/Admin Manual revised as necessary								x	x				Revised manual approved
	Procurement guidelines applied in 2009													
Output 3 : Effective and Transparent Investment Delivered														
28	ExCom Supports CS Fund Implementation													
	Coach and monitor facilitation of CS Councils		x	x	x	x	x	x	x	x	x	x	x	Provincial Progress reports
	Coach and monitor TSO support to CS Councils		x	x	x	x	x	x	x	x	x	x	x	Provincial Progress reports
	Coach and monitor Treasury support to CS Councils		x	x	x	x	x	x	x	x	x	x	x	Provincial Progress reports
	Monitor contract bidding and implementation		x	x	x	x	x	x	x	x	x	x	x	Provincial Progress reports
	Data bases updated as per guidelines		x	x	x	x	x	x	x	x	x	x	x	Data Bases updated
	Monitoring reports/issues reported to ExCom/PST		x	x	x	x	x	x	x	x	x	x	x	Provincial Progress reports
	Coordinate with LAU/TSU on all CS activities		x	x	x	x	x	x	x	x	x	x	x	Provincial Progress reports
29	ExCom Supports District Investment Fund Implementation													
	Assist District contract preparation	x	x	x										Provincial Progress reports
	Coach and monitor LAU/TSU staff supporting District			x	x	x	x	x	x	x	x	x	x	Provincial Progress reports
	Monitor correct implementation of guidelines			x	x	x	x	x	x	x	x	x	x	Provincial Progress reports
	Monitoring reports/issues reported to ExCom/PST				x			x			x		x	Provincial Progress reports
	Data bases updated as per guidelines				x			x			x		x	Data Bases updated

Output 3 : Effective and Transparent Investment Delivered														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
30	ExCom Supports Provincial Investment Fund Implementation													
	Assist CAU/Departments contract preparation	x	x	x										Provincial Progress reports
	Provide backstopping to ExCom/Dpts on Implement.			x	x	x	x	x	x	x	x	x	x	Provincial Progress reports
	Monitor/report on all PIF contracts quarterly				x			x			x		x	Provincial Progress reports
	Selective monitoring of quality of outputs					x	x	x	x	x	x	x	x	Provincial Progress reports
	Assist data base updates				x			x			x		x	Data Bases updated
31	NCDD Sub-Committee and Ministry Contracts supported													
	Guidelines/allocations discussed with Ministries		x											Focal point progress reports
	Assist SCs and Ministries contract preparation			x										Focal point progress reports
	Backstop implementation as requested				x	x	x	x	x	x	x	x	x	Focal point progress reports
	Monitor implementation quarterly						x			x			x	Focal point progress reports
	Attend periodic status review meetings						x					x		Focal point progress reports
	Assist data base updates						x			x			x	Data Bases updated
32	Other Project Investments Supported													
	Review/Clarify PST/PSDD support roles: all projects	x	x	x										Document produced
	Provide support as per approved MoU's/guidelines			x	x	x	x	x	x	x	x	x	x	Project progress reports
	Maintain up to date information on progress				x			x			x		x	Project progress reports
	Attend key project events			x	x	x	x	x	x	x	x	x	x	Project progress reports
	Periodic monitoring at sub-national level			x	x	x	x	x	x	x	x	x	x	Project progress reports
Output 4 : Effective Aid Mechanisms in Place														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
33	SNDD design incorporates harmonized practices													
	SNDD design team fully briefed on systems/exper.						x	x						Consultant reports
	Input provided to SNDD design team as needed								x	x	x	x	x	Consultant reports
	Field visits/research facilitated								x	x	x	x	x	Consultant reports
34	Capacity Development Study Implemented													
	NCDDS/DP's reach agreement on TOR/scope				x									Approved TOR available
	Consultant recruited by UNDP					x								Contract issued
	First phase: review of current CB approaches					x	x							Consultant report
	Second phase: design of revised approaches								x	x				Consultant report
	Design discussed/agreed with NCDD and DPs										x			Approval document
	CB plan/approaches incorporated into SNDD											x	x	2009 work plan

Output 4 : Effective Aid Mechanisms in Place (continued)														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
35	NRM Functional Assignments													
	TOR prepared with MDLF		x	x										TOR available
	MDLF consultant recruited			x										Contract issued
	Consultancy implemented				x	x	x							Consultant report
	Recommendations/follow up actions agreed						x							Meeting minutes
36	Joint Audit of 2007 Accounts completed													
	Audit firm selected by Procurement Committee		x											Contract issued
	Audit conducted			x	x	x								Firm report
	Management Letters provided						x							Management letters
	Final Audit Report for all projects delivered						x	x						Report available
37	TWG on D&D Supported													
	Support to TWG meetings provided as necessary				x			x			x			Progress reports
	Background materials prepared as necessary			x			x			x				Materials available
	Provide advice to NCDDSD and DPs as requested			x			x			x				Progress reports
38	2009 NCDD AWPB Formulated													
	Review of 2008 NCDD organized						x							Meeting document
	2009 RGC/DP issues/resources clarified						x							Meeting minutes
	Preparatory meetings on AWPB organized								x					Progress report
	National Workshop on 2009 AWPB organized									x	x			Workshop report
	2009 AWPB formulated										x	x	x	AWPB available

Output 5 : Monitoring and Evaluating System Strengthened and Revised Against PSDD Lograme Indicators														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
39	Baseline for enhanced AWG mechanism													
	Reporting mechanism reviewed, revised		x	x										Report format available
	Revised reporting introduced				x									Dissemination report
	Consultant contracted								x					Contract issued
	Accountability baseline conducted								x	x				Consultant report
	Baseline documented									x				Consultant report
	TOR for WB Follow up Study in 2009 prepared												x	TOR and NOL available
40	Responsiveness to CS Plan/Priorities evaluated													
	Consultant contracted			x										Contract issued
	Survey methodology and details finalized			x										Consultant report
	Baseline conducted				x									Consultant report
	Baseline documented					x								Consultant report
	Follow up survey conducted on month								x	x				Consultant report
	Report analyzing variance produced										x			Consultant report
	Consultancy ends										x			Consultant report
	Recommendations incorporated into 2009 AWPB												x	AWPB
41	Perception Surveys Implemented													
	Consultant contracted			x										Contract issued
	Survey methodology and details finalized			x										Consultant report
	Baseline conducted				x									Consultant report
	Baseline documented					x								Consultant report
	Follow up survey conducted on month						x	x	x	x				Consultant report
	Report analyzing variance produced										x			Consultant report
	Consultancy ends										x			Consultant report
	Recommendations incorporated into 2009 AWPB												x	AWPB

Output 5 : Monitoring and Evaluating System Strengthened and Revised Against PSDD Lograme Indicators														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
42	Returns on Investment Studies Implemented													
	Consultant contracted for Phase 1		x											Contract issued
	PST focal points identified to work on the study		x											Consultant report
	Inception Report of Consultant accepted			x										Consultant report
	Methodology development and testing conducted			x	x	x	x	x	x					Consultant report
	Phase II contract negotiated										x			Contract issued
	Pilot testing evaluated and methodology fine tuned										x			Consultant report
	Final report accepted and consultancy completed											x		Consultant report
	NCDD/TOT continue with formative evaluation											x	x	Progress reports
	M&E continue to monitor implementation					x	x	x	x	x	x	x	x	Progress reports
43	Follow up on 2003 SE Baseline													
	Consultancy negotiation leading to signed contract			x										Contract issued
	Survey methodology and details finalized			x										Consultant report
	Follow up survey conducted				x	x								Consultant report
	Report analyzing variance produced					x								Consultant report
	Consultancy ends						x							Consultant report
	Report and findings disseminated							x						Dissemination reports
44	Formative Evaluation/Outcome Monitoring Study													
	Consultancy negotiation leading to signed contract			x										Contract issued
	Survey methodology and details finalized			x	x									Consultant report
	PST focal points assigned			x										Consultant report
	Methodology and study piloted				x	x	x							Consultant report
	Report produced with recommendations						x	x						Consultant report
	Pilot phase consultancy ends							x						Consultant report
	Full implementation details worked out								x					Progress reports
	Full implementation starts									x	x	x	x	Progress reports
45	Socio-Economic Impact CS Roads Implemented													
	Consulting Firm contracted		x											Contract issued
	Inception Report of Consulting Firm accepted		x	x										Consultant report
	Study conducted			x	x	x	x	x	x					Consultant report
	Findings/recommendations presented/discussed								x	x				Consultant report
	Final report accepted											x		Final payment made

Output 5 : Monitoring and Evaluating System Strengthened and Revised Against PSDD Lograme Indicators														
No	Sub-Outputs and Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indicators
46	SNDD Baselineing Implemented													
	Consultations with stakeholders on baseline needs					x	x							Progress reports
	TOR developed to assist design							x						TORs available
	DPs recruit consultant against TOR								x					Contract issued
	Consultations with SNDD design team								x	x				Consultant report
	Baseline studies designed								x	x				Consultant report
	Consultation on progress/status										x			Consultant report
	Baseline consultancies advertised for 2009											x		Advertisements
47	NCDD MIS Formulation Prepared													
	Consultant TOR prepared	x												TOR available
	Consultant contracted		x											Contract issued
	Phase 1: Scoping mission undertaken		x	x										Consultant report
	Action Plan discussed/agreed			x										Consultant report
	Phase 2 contract approved				x									Contract issued
	PST data bases incorporated into new MIS system					x	x	x	x					Consultant report
	Report formats designed/approved/programmed							x	x					Consultant report
	Final system review completed/accepted									x				Consultant report
48	Support to Design of SNDD M&E System													
	Updated description of M&E system all levels			x	x									Document available
	Coordination with SNDD design team on next steps						x	x						Progress reports
	Implement agreed actions							x	x	x	x			Progress reports
	National consultation on SNDD M&E system											x		Meeting minutes
	Formulation of 2009 AWPB to complete design											x	x	AWPB available
49	Strengthening of Sub-national Monitoring													
	Design of 2008 Action Plan on sub-national activities		x	x										Action Plan available
	National Workshop for discussion/agreement				x									Workshop document
	2008 activities implemented all provinces				x	x	x	x	x	x				Provincial progress reports
	Reports provided on implementation results					x		x		x				Provincial progress reports
	National Workshop: review/agree on 2009 AWP											x		Workshop report