



**Cambodia  
Development  
Resource  
Institute**



# **CAPACITY BUILDING PRACTICES OF CAMBODIA'S EXTERNAL PARTNERS**

## **A MANAGEMENT FRAMEWORK FOR CAPACITY DEVELOPMENT: MANDATING EFFECTIVENESS AND VALUE FOR MONEY**

FOR : Council for Administrative Reform of the  
Royal Government of Cambodia

ACTIVITY CODE : OCM-CAR-002

AUTHOR : Cambodia Development Resource Institute

Principle Authors : Stephen FitzGerald and  
Larry Strange

DATE : December 2004

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Capacity Building Practices of Cambodia's External Partners

(Cambodia Development Resource Institute)

December 2004 (Final Report)

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## Foreword

In December 2004, the Cambodia Development Resource Institute (CDRI) submitted its report *Capacity Building Practices of Cambodia's External Partners - A Management Framework for Capacity Development: Mandating Effectiveness and Value For Money* to the Council for Administrative Reform (CAR) of the Royal Government of Cambodia (RGC). The report was commissioned by CAR as part of its role as chair of the Sub-Working Group on Capacity Building Practices of Cambodia's Development Partners, a sub-working group of the Technical Working Group on Public Administrative Reform (TWGPAR).

Following the release of the report, in English and Khmer, and its circulation to members of the sub-working group, all RGC line ministries and the government's international development partners (donors), its findings and recommendations were considered by meetings of the TWGPAR and the sub-working group, and a special meeting of senior representatives of RGC line ministries convened by CAR.

Responses to the report varied greatly. Some donors dismissed the recommendations of the report as unworkable and overly critical of donor practices. Some responded that they already operated in ways recommended by the report so did not see a need to consider significant changes in approach. Other donors saw merit in the framework and principles proposed but helpfully pointed out that, while the approach recommended for adoption by CAR should be utilised in generic civil service capacity development, for which CAR was responsible, much capacity development was sector and line ministry or agency specific, and more appropriately coordinated through the government-donor sectoral TWGs.

Senior representatives of the government line ministries, in their consultative meeting with CAR, at which donors were not present, were almost universally supportive of the approach taken by the report, and supportive of the need for fundamental changes in the way donors approached capacity development. They pointed in particular to the need to move from a supply to demand driven approach, where Cambodian agencies were genuinely determining capacity development needs and strategies, in the quality of donor consultative and design processes for capacity development programmes, and in the provision of more effective Cambodia-appropriate technical assistance.

The key principles and major recommendations of this report, and the lessons learnt from the consultative processes following the report's release, will be utilised by CAR in the preparation of a master plan for civil service capacity development as part of its input to the Royal Government of Cambodia's 2006-10 National Strategic Development Plan (NSDP). This new NSDP will, for the first time, align the government's Rectangular Strategy for Growth, Employment, Equity and Efficiency, its National Poverty Reduction Strategy and Socio-Economic Development Plan, into one integrated national development plan. The report has also influenced CAR-driven modifications to the Economic and Public Sector Capacity Building (EPSCB) project which is now entering its second stage of implementation.

In response to requests for access, CDRI now publishes the report as a resource for Cambodian and other stakeholders in civil service reform and capacity development, and for development practitioners and researchers. CDRI wishes to express its gratitude to HE Ngo Hongly, Secretary General of the Council for Administrative Reform for the opportunity to work on this important project, and for the support of the CAR team during the project, to Dr Stephen FitzGerald, lead consultant to the project and principal author of the report, and to the Australian Agency for International Development (AusAID) for funding the project through its Cambodia-Australia Technical Assistance Facility (CATAF).

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*Executive Director*  
*Cambodia Development Resource Institute*  
*August 2005*



# EXECUTIVE SUMMARY

## **Key Elements of a Management Framework for Capacity Development: A Template for Compliance**

This Paper has been directed to propose a management framework for the Royal Government of Cambodia (RGC), for donor-funded capacity development for the civil service. The key elements of a management framework recommended are:

1. A demand-driven approach, covering all capacity development programs for the RGC civil service
2. CAR Secretariat to coordinate all capacity development programs
3. CAR Secretariat to be responsible for ensuring compliance of all programs with the new approach
4. All programs to have capacity development goals and performance targets, with funding tied to performance and results
5. A new 'Cambodianisation Protocol', requiring all programs to meet specified Cambodianisation outcomes
6. All programs to align with the EPSCB project and its Capacity Development Observatory, On-line Training Calendar and Capacity Development Program
7. RGC and partners to contribute to an independently managed Capacity Development Fund
8. All programs to include development of core civil service capacities, for whole of government goals
9. All coordination mechanisms including Technical Working Groups to comply with demand-driven approach
10. A new coordination dialogue to be initiated between the CAR Secretariat and donors
11. All new programs to be based on mapping, case analysis, goal-setting and needs analysis
12. Demand-driven criteria to be applied for technical assistance, and more consideration given to use of Asian expertise and advice
13. Education, training and other capacity development to be learner-focussed and deliverers chosen on comparative assessment
14. An RGC 'Charter of Partnership' to be concluded with all donors
15. The above key elements to be a template for compliance and quality assurance.

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# A Management Framework for Capacity Development: Mandating Effectiveness and Value for Money

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## 1. INTRODUCTION

The purpose of this Paper is to propose key elements of a management framework for the Royal Government of Cambodia (RGC), for donor-funded capacity development for the civil service. This has been requested by the Council for Administrative Reform (CAR) to hasten execution of the RGC's pressing administrative reform policies and priorities. The framework must assist the RGC to mandate practices and protocols that will ensure all capacity development programs are appropriate, sustainable and effective, and deliver value for money. There is a sense among both the RGC and its external partners that the aggregate of recent programs has fallen short of these objectives.

One reason for this is that stakeholders have become stuck on process and circular diagnosis of the problem. This Paper addresses the question of how to generate forward movement. The objective is not how to do capacity development, but to recommend practical concrete proposals for action to achieve real effectiveness and value for money. The Paper is not a study, of which there is already an abundance.

## 2. GOAL OF CAPACITY DEVELOPMENT AND PRINCIPLES

- **Goal.** The goal of capacity development in this Paper is taken to be: for effective government, with a professional service ethic, capable of providing good governance to lead and implement the government's development agenda including the Rectangular Strategy for Development.
- **Principles.** The Paper does not propose a definition of capacity development, but refers instead to a useful note that reviews and distils the experience of successes and failures in capacity development over more than a decade in Africa.<sup>1</sup> Among the principles derived from this experience are that effective capacity development:
  - i. requires a demand-driven approach
  - ii. is a long-term process, rarely amenable to seeking quick results through shortcuts
  - iii. occurs in a context where it can be sustained
  - iv. is focussed on retention, and effective utilisation of existing capacities and assets
  - v. is not merely a technical exercise but is rooted in the political economy of the country
  - vi. takes root where incentives - monetary and non-monetary - are favorable
  - vii. must nurture a continuous dialogue which puts the onus on the demand side to make the difficult policy choices on what truly matters and demonstrably works.
  - viii. must have good fit with the country context

Regarding point (v), the above review does not go in any depth into cultural, social and historical factors, presumably because of their singularity in each country. However, the assumption in this Paper is that capacity development must also be rooted in the cultural and societal realities of the country and responsive to the historical influences – negative and positive.

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<sup>1</sup> H. Sutch, "Towards a more strategic approach to capacity building in Africa". World Bank, 2003

### 3. CONTEXT

The Terms of Reference direct this Paper to address problems not successes. The Paper acknowledges good work, best practice and successes, and a new management framework must build on these.

It must be noted also that donors do not engage equally in the coordinating structures and processes discussed below, and some do not at all, preferring to deal primarily or exclusively through their bilateral relations with the RGC. The latter include Cambodia's largest donor, Japan, as well as China and Singapore, and for most purposes the references to coordination practices below are not applicable to them.

The problems of capacity development are in part a function of some of the general problems of ODA in Cambodia, with which they are entangled. Some of the most critical, most of them common to the analyses of government and donors alike, include:

- i. The very large sums devoted to capacity development in recent years (estimated at between USD 100 and 150 million annually – equivalent to between 20 and 25% of total aid to Cambodia)
- ii. Of the above, a substantial proportion spent on civil service capacity development in government agencies (estimated at a minimum USD 37 million minimum in 2002 - roughly half the wage envelope)
- iii. Widespread frustration in the RGC and among its external partners that the institutional capacity development impact of this very big investment has been nowhere near commensurate with the funding input, but
- iv. Continued spending on this scale without the coordinating agencies of government knowing how this has been spent, or government or donors being able to measure its effectiveness
- v. An aid culture that all acknowledge is donor-driven
- vi. Low levels of mutual trust, and often lack of respect, team work, partnership, harmony and good feeling, and considerable private criticism of one side by the other
- vii. An apparent absence of context-sensitive dialogue
- viii. Excessive bureaucratisation and process-preoccupation of the aid relationship, with an institutionalised system of groups, working groups, sub-working groups and technical working groups that consume the time and energies of Cambodian civil servants and donors
- ix. Habitual resort to international experts as a first rather than last resort. These were estimated in 2002 to number about 750, including long and short term consultants/technical advisers and permanent and part-time in-government advisers
- x. Salary supplementation by donors for selected Cambodian officials, recognised as unsustainable, distorting and inequitable
- xi. Predatory and competitive practices by donors in recruiting the best and brightest qualified people from government
- xii. An emphasis on short-term programs, particularly short-term training, over other more effective and sustainable types of capacity development

## 4. KEY ELEMENTS OF A MANAGEMENT FRAMEWORK

Key elements of a management framework for effectiveness and value for money are discussed in detail below.

### (a) A Demand-driven Approach

The RGC must move to and assert a demand-driven approach in which it determines and drives the agendas (obviously, in consultation with donors), and can independently satisfy itself that these are being followed and its objectives met. This involves questions of ownership and capacity to influence, and whole-of-government coordination, as well as material and non-material incentives, all of which are currently being negotiated and brokered within government. The demand-driven approach should also entail shifting capacity development to an action-orientation and away from a process-orientation.

The first step in moving to a demand-driven approach will be adoption of the management framework. This obviously needs to be discussed with donors, but to be genuinely and firmly demand-driven it should first be discussed and agreed internally by the government, before the discussion with donors. The government should also identify clearly any elements of its demand-driven approach and management framework that are non-negotiable.

In implementing a demand-driven approach, the RGC must be prepared to say ‘No’ where it believes there is risk of compromising its approach or where proposals, terms or conditions do not meet its policies and priorities. With good communication, this should not happen often. But there will be occasions when RGC and donor requirements do not match, requiring negotiation. This means the RGC must give very high priority to negotiating skills in the agencies responsible for development cooperation.

Where negotiation cannot reconcile positions, the RGC should adopt the position that to say ‘No’ is a commendable principle of good governance, even if it may risk losing a particular project or funding. In the RGC’s interests, however, is that the international donor community generally is committed to substantial support for Cambodia’s development, and that a demand-driven approach gives the demand-side flexibility in determining which donor for which project. This means the RGC must also give priority to the capacity of its agencies to assess comparative advantage and value for money.

### (b) Value For Money

This is a central issue for the RGC, not in a crude transactional sense but in demonstrable, measurable substantive outcomes from funding inputs. The RGC and donors acknowledge deficiency in effectiveness of capacity development. But there has been no common principle or template for evaluation and hence there is no picture of how effective this donor funding has been. Anecdotal and some partial appraisals suggest a net capacity gain for Cambodia, but the definitions of this gain are at best vague.

### ***Taking the Lead***

The following three practical measures are a prerequisite:

- i. Targets, and Performance Measurement. Value for money requires specification/prescription of what is ‘value’. This means the RGC must take the lead in spelling this out, and set very specific goals and concrete detailed targets. These must include program-specific targets, with common templates for measuring performance against targets and assessing value, and strong focus on *post-activity* follow-up and assessment - short, medium and long term.
- ii. RGC Responsible for Value for Money. Assessing value for money and performance measurement are the prerogative of the RGC, and the appropriate bodies to undertake this are the RGC’s designated coordinating agencies, the CDC (for donor coordination) and the CAR (for administrative reform), for example. Such roles must be unambiguously acknowledged by all stakeholders. It is the only way in which the RGC can establish common templates, cultivate core capacities and achieve coherent capacity development in the civil service. The bargain entails an obligation on donors for genuine consultation with the CDC and CAR in all aspects of program conception, design and delivery, before not after the fact.

- iii. Capacity Development for the CAR Secretariat. To ensure value for money these two designated agencies of the RGC, but in particular the CAR Secretariat as the agency mandated to carry out administrative reform, have to assert their value for money role. To do so they need to strengthen their own capacity to discharge this role professionally, authoritatively and diplomatically. This is also in line with the agreement at the harmonisation meeting in late October 2004 on actions to strengthen the capacity of coordinating agencies to perform development coordination and management functions.

Administrative reform change agents, and CAR in particular, must therefore make a major effort to enhance their capacity, particularly in the following four areas:

- iv. Research and Analysis, and Policy Development, to provide depth in these capacities, for guiding reform across the whole of government, having a practical and sustainable programme developed with other government agencies and donors, and initiating coordinated long term policy development (linked to major objectives of the RGC's Rectangular Strategy and the sectoral priorities determined by the Technical Working Groups) rather than reacting to disparate individual donor projects.
- v. Negotiation, to provide high-level skills for negotiating, brokering and mediating reform with other agencies of government and effective management of donor assistance, including cross-cultural knowledge and skills, and negotiating in languages other than Khmer.
- vi. Management and Administration, for the purpose not only of CAR's own administration but to drive reform of the administration of the civil service.
- vii. Education and Training, to be able to guide and coordinate education and training for staff development across the civil service by strengthening existing institutions and making them more relevant.

## ***Managing Funding Inflows and Disbursements***

In 2003, donors actually pledged more assistance to Cambodia than the RGC had requested. How this came about has several explanations, but it suggests disjunction between funding needs or capacity to utilise funds and supply-driven disbursements. Within programs there are also examples of donor disbursements that are made to meet donor-driven budgets or end of financial year targets rather than geared to effective utilisation.

Part of the problem is that, in capacity development for the civil service at least, few donors have tied their funding to Cambodia-specific institutional baseline surveys and needs analysis, or to benchmarks, performance, conditionalities and longer term outcomes. One bilateral partner with a substantial national interest in relations with Cambodia has observed that neither the government nor the donors talk seriously about conditionalities and none ever talk of graduation.

For good governance as well as value for money reasons, the RGC must make this open-ended and/or supply-driven disbursement of funds subject to a discipline of performance, outcomes and real results. This should be through a mechanism for joint responsibility for program funding disbursements.

## ***Cambodianisation***

A major cost (as yet unquantified with any accuracy, but acknowledged on all sides to be large) of donor-funded capacity development programs is the cost of international experts and advisers in a variety of long and short term roles. This practice is said by some to ignore many excellent Cambodians (available in increasing numbers) who might fill these positions in government or be candidates for consultant roles. Because of the very high cost of international experts, value for money can be increased through an 'affirmative action' policy for employing/contracting Cambodian experts instead, at levels of remuneration more related to the domestic economy but without devaluing their worth as skilled professionals.

However, simply acknowledging the virtue of such practice has not so far achieved significant replacement of international experts by Cambodians. What is needed to achieve it is a strong RGC protocol, negotiated with donors. The protocol would govern search, selection and recruitment, with indicative figures for the proportion of Cambodian to international experts over specified time frames. It should also cover the employment of

Cambodians to deliver training, with train-the-trainers programs, and, where applicable, in government-run tertiary education institutions.

The protocol should also require commitment by donors and international NGOs to refrain from the practice of recruiting the best qualified and skilled people from government institutions, because this practice imposes substitution/replacement and other indirect costs on the institution including the cost of retarding the progress of institutional strengthening.

Some of those consulted for the Paper expressed concern that Cambodianisation would be at the expense of overall efficiency and quality control. Even if that is true, performance can not be improved if there is not opportunity and encouragement, and if there is some initial unevenness in performance, that should be tolerated in the interests of longer term gains. This would require policy and operational adjustment by both RGC agencies and donors.

### ***Leveraging the EPSCB Project***

This project has developed a package of linked proposals to reflect and respond to current agency training requirements and RGC perspectives and priorities. Through this project the bones of a credible and effective capacity development training program for the civil service are already there. Key to the project's linked initiatives is that they are designed to move to demand-driven training for capacity development, reduce duplication, establish coherent training programs tied to agency requirements, and build efficiencies and cost-effectiveness. Value for money can be enhanced by the RGC having donors get behind these initiatives, link their own programs to them, and link their funding to the proposed mechanisms in the Capacity Development Observatory (including the on-line Training Calendar), and the Capacity Development Program (which proposes a rational process for evaluating and farming out to providers).

The EPSCB project has other ideas in development, notably the Capacity Development Fund. This idea is running in parallel to donor discussions on pooling funding, and it ought to be cost-effective to bring these two ideas together in a demand-driven model. The difficulties in moving from idea to realisation on this issue are acknowledged, including the reservations of stakeholders on both sides concerning accountability. However, a solution may be found in the creation of an independent foundation to manage such a fund. This could be established under a statute, with rigorous rules, and its ethical soundness assured by appointment of an independent board of governors chaired by an eminent Cambodian of acknowledged eminence and integrity.

### ***Building Core Capacities***

Over the long term, the measure of value for money will lie in how slowly or quickly the civil service reaches a whole-of-government capacity of the kind suggested in Section 2 above. Any professional civil service requires core capacities, for example in administration, law, finance, ethics, ICT. They provide a leavening of people across agencies with an understanding of government as a broader institution, and people who can move and do policy work in different agencies.

Development of core capacities may seem slower in the short term, given that sector-specific capacities cry out for attention. But with accumulation, core capacities ought to deliver the goal more rapidly over the longer term than sector-specific capacities, particularly if the latter are compartmentalised. This is a contested issue in the current Cambodian development context, and in any event should not be an absolute, one way or the other. The value for money of developing core capacities also depends on whether people with these capacities remain in the civil service and the extent to which lateral movement in the service is possible. However, as core capacities accrue so also does the capacity for in-government skills transfer, and as these capacities are portable and transplantable they can accelerate overall capacity development.

In the balance between resourcing development of core capacities and sectoral capacities, therefore, some emphasis should be given to the former. This should include some priority for IT, and the development of effective databases. To expedite the latter, the government should consider contracting outside Cambodian expertise, so that the IT tools, using appropriate learning technology, are available as soon as possible for the development of IT skills as a core capacity.

## **Building Capacity of HR Units**

One way to maximise the acquisition and spread of core capacities is to develop them in HR units. Like train the trainers, 'develop the capacity of capacity developers' should deliver better value for money. The EPSCB Project foreshadows an initiative of this kind that should be developed and supported for its cost-effective and other advantages.

## **Technical Working Groups**

The role of TWGs was reaffirmed at the harmonisation meeting in late October 2004. The intention is that TWGs should be driven by the RGC side and not by donors. The RGC should take this opportunity to ensure that all programs coming within the TWG structure deliver value for money. However, this will depend on the skills and capacity of the RGC representatives on these Groups. This is partly a matter of management and meeting-management skills. But more importantly, it is also a cultural issue relating to well researched and documented differences and difficulties in communication, particularly in workplace meetings and more 'formal' settings, between people from Asian (and certain other) societies and from most western societies. This is more than a matter of understanding how other people see things. There are skills for managing these differences and difficulties, and these can be acquired, and if listening and deferring to the views of others is in order, then best practice indicates that they should be acquired by both sides.

A program of skilling must be developed for participants in the TWGs, to enhance skills in inter-cultural communication, participation in and management of inter-cultural meetings, inter-cultural negotiation, and related topics.

## **Cost-effectiveness of Using Asia Region Networks**

The practice of many donors (with obvious exceptions) is to source their models and expertise for Cambodia in Europe, North America or Oceania. This may not always be the best practice, or the most cost-effective. Asia region models and sources can also be appropriate, and some more so. Knowledge and information about these can be accessed through Asia region networks, some of which are funded and some of which can open doorways to funding. The obvious example is ASEAN and the ASEAN Resource Centres, including the ASEAN Conference on Civil Service Matters (ACCSM). But there are many others, including the ADB-supported Network of Asia-Pacific Schools and Institutes of Public Administration and Governance (NAPSIPAG), to be inaugurated in Kuala Lumpur in December 2004.

With a demand-driven approach the RGC should take the initiative to require consideration of models and sources closer to home, which in some, or perhaps many, cases may be more relevant, appropriate and cost-effective.

## **(c) Quality Assurance**

Codes of conduct or practice, and partnership agreements, are understandably approached with some caution and scepticism, for the different reasons that they may be feared to be binding on signatories in ways that can't be complied with, or that they are so anodyne as to be meaningless.

A code or charter should be seen, however, as an instrument of quality assurance, neither binding nor bland, but promoting and assuring quality at the most fundamental, critical level of development cooperation - the relationship between government and donors.

Moving to a demand-driven approach means a new relationship with donors. This will not negate what has gone before; it will build on it. But it will be different. This different relationship needs to be spelt out, in ways that clearly communicate *specific* expectations in terms of the obligations of the parties.

In the recent harmonisation meetings in Siem Reap and Phnom Penh a 'Partnership Arrangement' has been discussed. This is a useful document, if not very specific. But it is still a product of the supply-side. What is needed, therefore, is for the RGC to draft what might be called a 'Quality Assurance Charter' or 'Charter of Partnership', with reference to that 'Partnership Arrangement', but reflecting the RGC's expectations more, and going into more specifics. This document would then be negotiated and agreed with donors.

To be effective this charter requires accountability, but between the RGC and donors there can only be voluntary agreement. However, it can have real meaning if it is seen not as an imposition but as a working document, an operational instrument of quality assurance, mutually agreed, grounded in stakeholders' principles, and with totally reciprocal obligations. It must be sufficiently specific for compliance with its provisions and its 'moral force' to be monitored and evaluated through a transparent mechanism.

To this end, once agreed it should form part of program agreements between the RGC and donors, and there should be a periodic review. This should not be a huge exercise but a simple procedure signed off jointly by the RGC and individual partners. This would be assisted if there were an independent third party involvement. In some recent one-to-one programs elsewhere, there have been arrangements in which an independent quality assurance person or group has an explicit or implied function in relation to the government-donor partnership itself. It would be useful to consider this here.

From the views put to the consultations for this Paper, a Quality Assurance Charter or Charter of Partnership might include some of the following (the concepts if not the exact words can be found in documents of the RGC and donors):

- i. Due diligence conducted before and during all programs and activities to ensure they comply with ethical practice and shared principles and undertakings
- ii. Due process in decision-making, management of relations, budgets and funding disbursements, appointments and contracts, and program implementation
- iii. Value for money as a principle of cooperation
- iv. Genuine consultation before making decisions, particularly on timeframes, suitable technical assistance and training, an appropriate technologies
- v. Respect and harmony in human and institutional relations
- vi. Equality in obligations including the obligation for transparency
- vii. Honesty in partner relations and in facing difficult context
- viii. Localisation of program ownership, budget, delivery and personnel
- ix. Linking all programs to government reform policies and priorities
- x. Adhering always to agreed common goals
- xi. Corruption minimisation as a performance indicator in all programs
- xii. Benchmarking in all capacity development programs against a long term goal of graduation from aid-dependence
- xiii. Simplicity in process and structures, and brevity in documentation

#### **(d) RGC Teamwork**

For a management framework to be effective there needs to be good coordination and teamwork between government agencies. This is perceived to be lacking, by donors and senior government agency officials. It encourages some on both sides to set up programs that do not work through the coordination structures and processes designated by the government. This is frustrating to those whose responsibility is for coherent reform across government, and can be competitive and even divisive.

Samdech Prime Minister Hun Sen has recently called for strengthened cooperation between government ministers, and certain new administrative arrangements are foreshadowed that will enable increased coordination of the overall reform agenda. CAR also has in train initiatives to address coordination between agencies.

A key to successful implementation of a management framework is that it must be endorsed by key agencies and there must be the closest coordination between CAR and the CDC. The first step, even before consultations with donors, should be for the management framework to be signed off jointly by these two agencies, to be followed by a process in which all other agencies are brought into a consensus on the framework.

## **(e) Dialogue, Donor Coordination and the Working Groups**

There is an urgent need for a fresh, forward-looking coordination dialogue, one based on mutual trust, cultural respect, and shared values and practices. The coordination dialogue that does exist is mainly in the formalised system of working groups. This system imposes burdens of time and resources on all parties. It is diverting for those who engage in it. It is supply-side driven. It has created a small joint 'bureaucracy' in its own right. And it appears almost to have become an end in itself; when one set of working groups has been found to be ineffective another has been created.

Recent developments in the structure of coordinating and monitoring mechanisms such as the technical working groups under the (insert) offer promising avenues in this regard. The CAR itself will hold regular dialogue meetings, at the level of Secretary of State and resident representative or head of agency. The PAR Technical Working Group will also hold regular meetings on subjects of interest to stakeholders. The aim must be real exchange across the table, without formal speeches, or the exercise will be pointless. The meetings should be small scale because the bigger the meeting the more likely they are to become performances. They should be private, frank and informal, allowing for off-the-record discussions as well as on-the-record, avoiding set piece perorations and focussing on quality discussion, consensus and results. The structure should be light enough not to require a secretariat.

Whatever the substance of its discussions, the dialogue must be an explicit instrument for confidence-building, to assist reconciliation of different perceptions, purposes or goals. There are proven models for this in the international context, where they are known as 'second track' diplomacy meetings or 'track two'.

The dialogue might also be an appropriate context for discussion of quality assurance issues.

To encourage real exchange, the chairing of this dialogue should be carefully considered. It would be appropriate for a demand-driven dialogue to be chaired by the CAR Secretariat as the PAR TWG will. However the new technical working group system is only just being implemented. Stakeholders agree that the TWGs should be given time, perhaps two years, to assess whether they perform a genuinely useful function. Some measures for making them demand-driven have already been suggested above.

However, for the longer term, it has to be asked whether this edifice is desirable. It comes from the supply-driven culture, and its tendency to de facto policy-making and priority-setting, even if it does involve RGC participation, has already been mentioned. Its semi-permanent character as a standing mini-bureaucracy does not seem to engender an active capacity development dynamic. Nor does it seem conducive to the aim of progression from aid-dependence to aid-independence.

Logically, there does not seem to be any reason why, in a demand-driven aid culture, genuinely useful tasks assigned to the TWGs can not be undertaken by small ad hoc teams that form when there is need and disband when there is not. The RGC should therefore consider a phased transition to a more flexible and responsive practice of this kind, with decisions on when ad hoc teams are needed made at the meetings of the dialogue proposed above.

## **(f) Re-focussing and Re-positioning**

While the RGC and donors agree that past practice in capacity development programs for the civil service has been less than ideal, so far there has been no overall analytical assessment of how and why, or clarity on what more effective and sustainable strategies might be followed in future. The EPSCB Project has made some headway. What follows would support and extend the work of that project, as well as the broader initiatives of CAR for comprehensive capacity development of the service. Some valuable initiatives have been suggested in the consultations for this Paper, but there needs to be a logical sequence of analysis and goal-setting before major new programs are introduced. It would be costly and wasteful to do otherwise. The following sequence is suggested.

- (i) Major new capacity development initiatives should be temporarily put on hold, so that they can benefit from the outcomes of what follows below.

- (ii) Baseline Survey or Mapping. Partial mapping of some agencies has already been done. This needs to be rounded out and pulled together in a baseline survey. This should be a mapping of all agencies of the RGC, national and provincial (but initially not below provincial), and include legislative and administrative arrangements, mandates and missions, policy and administrative functions, reporting lines and accountabilities, information and paper flows, inter-agency arrangements, staffing establishments, staff development plans and programs where they exist, and education levels of existing staff. Being a map, this should record what the cartographers observe and not be squeezed into invented forms, matrices or shapes. It should be a functional working tool, clear and simple, easy to maintain and update.

This mapping should be conducted by specialists in civil service and the institutions of government, whose expertise is in how a functional government operates and why. At least half should be Khmer-speaking Cambodian nationals.

- (iii) Case Analysis. As soon as the baseline survey is completed, the RGC should commission a forensic examination of donor-funded capacity development cases, to assess what has worked and what hasn't, and best practice in the Cambodian context. Particular attention must be paid here to the Cambodianisation question, sustainability, retention and cases that have the potential for extension or replication across the whole of government. The outcomes of this exercise must provide government and donors with a guide to avoid negative practices. They will also be useful as Cambodia-specific case material for education and training programs.
- (iv) Implied Models of Government. One of the problems in donor involvement in Cambodia's capacity development has been that each donor tends to supply expertise that comes from and applies its own model of government. The RGC and donors report examples of inconsistency, incompatibility and conflict, including in legislation, regulations and procedures affecting how government is defined and operates. For greater coherence, donor coordination is important but not enough. The RGC itself needs to be more prescriptive, and for this purpose, while the mapping is being conducted, should sponsor a conference or series of conferences of academics and public administration specialists, primarily Cambodian but including internationals, on an appropriate model or models to develop human and institutional capacity within the Administration. This would assist the RGC to develop clear directives for its own use and that of donors.
- (v) Goals. The baseline survey should then be used to develop, by the RGC and donors, short, medium and long term sustainable goals for their cooperation, consistent with the capacity development agenda. These goals must be whole-of-government in conception, even if broken down into incremental or sectoral components. This exercise should not be simply a replication of existing thinking, but a fresh look at how the findings of the baseline survey translate into goals that are clear, logical, and honest. They must also include real timelines for reduction in aid dependence and progression to ultimate graduation.
- (vi) Needs Analysis. Only after the above steps have been taken is it logical and feasible to undertake a rigorous needs analysis, and this should be the next step. Needs should be defined as what is required to move from what the baseline survey shows to the defined goals, and not what a particular agency or donor subjectively says they are.
- (vii) Program Coordination. From all of the above, the RGC and donors should have a sound, analytical basis for an overall coordinated approach to capacity development. They should re-visit existing projects, revise where necessary and align with the new coordinated approach, and resume introduction of new projects. Existing functional and sectoral projects-in-progress that fit the goals and needs should continue if they are producing results.

## **(g) Managing Technical Assistance**

The practice of using very large numbers of international advisers to government must be addressed through the Cambodianisation process referred to above. This does not mean there will be no continuing need, even as scaling back proceeds, but the RGC needs to drive a process for management and quality assurance.

This must entail demand-driven, rigorous criteria and procedures for selection and evaluation of short term experts/consultants. It must also entail an audit of in-government technical assistance positions, to assess how many there are and what they do and what they cost, and whether the rationale for their positions is persuasive.

Performance indicators must be introduced for active knowledge building and skills transfer to Cambodian colleagues.

Particular attention needs to be paid to appropriate skills of advisers, especially where their role is to advise on functional matters of government/public administration/governance (as distinct from sector expertise). They must have skills and qualifications in these areas, and be able to operate within the parameters of the implied models of capacity development referred to above.

Without pre-empting the discussion of implied models, greater use of Singapore experts, from the Singapore government and the Civil Service College at the National University of Singapore is commended. This is in part because of the Asian culture and the ASEAN context, and because Singapore has a strong professional civil service with an ethical culture, and a record of continuous public sector reform. Singapore is also close, and already has a small empathetic training program for Cambodians.

The RGC should organise a study tour to look at civil service expertise and training and education resources in Singapore and other countries in the region such as Japan, China and India, that offer high value opportunities. This could be set up as a learning seminar, with pre-departure meetings, individual and group assignments and tutorials en route, and facilitated post-tour follow-up.

This is not suggested as a replacement for TA advisers from elsewhere, but as a necessary balance to those from other backgrounds, which may or may not always be the most appropriate. 'Country fit' should be for the demand side as well as for donors, and demand-driven TA should avail itself of opportunities for good country fit, and cultural affinity or sensitivity, cultural respect and empathetic relationships and program delivery.

## **(h) Education, Training and Professional Development**

The EPSCB Project has in development a response to the education, training and professional development needs. What follows is in support and reinforcement of the EPSCB initiatives.

It is generally agreed that there has been over-emphasis on short term training relative to other forms of knowledge building, skills transfer and capacity development. Short term training is of course a fundamental instrument of professional development. However, from the learning point of view, short term training is of limited value if the educational attainment level of the learner is too basic. Where education levels are not advanced enough to benefit from short term training, the RGC and donors should support more long term training and more formal education, in high school or undergraduate degree courses.

The EPSCB Project proposes a comparative assessment of Cambodian education and training institutions and training programs. This will assist all stakeholders in planning and carrying out capacity development programs. It is important that this comparative assessment takes in the learner perspective, and the influences on learning of educational levels, skills, personal development, motivation and cultural context.

The EPSCB Project intends that this comparative assessment will enable the RGC to use the different strengths of different institutions to meet its different education or training needs. Alongside this sound strategy, it is suggested that Cambodia and the civil service also need for capacity development purposes, excellence concentrated in a small number of high quality institutions – some high quality high schools, a very good university comparable to other good universities in the region, a high quality training institution for civil servants – and that the RGC and donors strongly support the development of leading institutions as centres of excellence. This will help reduce dependence on overseas institutions for quality education and training.

## **(i) Salary Supplementation Practices**

At the beginning of this project, salary supplementation practices were seen as one of the major issues, solution to which needed to be incorporated into a management framework. According to both CAR and donors, and the most recent harmonisation meeting, this vexed issue is now (November 2004) on the way to resolution with all but one or two donors. The RGC must, however, introduce procedures for monitoring the implementation of the decisions that are made for phasing out these practices.

Not all donors in Cambodia have engaged in them, and should there be difficulties in phasing them out, it might be useful for the RGC to initiate an analysis of how these other approaches have worked and whether there might be models that could be applied more widely.

## **5. ADOPTION AND IMPLEMENTATION**

### **(a) Adoption**

It is important and appropriate to the demand-driven approach that the key elements of a new management framework first be sanctioned by government. The following procedure is recommended:

1. Submission of key elements of the management framework proposed in this paper to the CAR, the PAR Technical Working Group and the Sub-Working Group on Capacity Development Practices of Cambodia's Development Partners for in-principle endorsement
2. Circulation of Khmer language version of the Paper to all government agencies and English language version to all external partners, for comment and feedback
3. Meetings with government agencies and partners to discuss
4. Preparation by CAR of the Management Framework based on this Paper and government agency and partner feedback
5. Adoption of the Management Framework by ministerial approval and/or other means as appropriate
6. Dissemination of the Management Framework and preparation for ongoing implementation.

### **(b) Implementation**

The following is recommended:

1. January: CAR Secretariat to develop a regime for compliance, including
  - tasks required to set up the key elements of the management framework
  - prioritisation and allocation of above tasks
  - how the framework will be introduced including timelines
  - detailed operating procedures for the framework, including how the template will be applied to partner-funded programs
  - how the interface with donors will work, taking full account of the donor coordination mandate of the CDC
  - management responsibility within the CAR Secretariat, and administrative arrangements, personnel and budget requirements
  - resourcing the budget (a) for the set up tasks and (b) for implementation
2. January/February: Internal RGC briefing and consultation on compliance
3. January/February: Meeting with external partners chaired by H.E. Deputy Prime Minister Sok An for briefing and consultation on compliance
4. March: Commence staged implementation including drafting and negotiation with partners of Cambodianisation Protocol and Charter of Partnership
5. Implementation of decisions relating to other recommendations of this report.

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