

**Draft Report 2001-06-19**

# **END OF AN AFFAIR**

**Seventh Report of the Sida Permanent Advisory  
Group**

**on**

**CARERE2**

**(Field Mission 23 April – 4 May 2001)**

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## ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
CARERE	Cambodia Area Rehabilitation and Regeneration Project
CC	Commune Council
CDC	Commune Development Committee
CDP	Commune Development Plan
DDF	Decentralised Development Fund
DFID	Department for International Development
DFT	District Facilitating Team
DFDC	District Facilitating Development Committee
Excom	Executive Committee (PRDC)
EIA	Environmental Impact Assessment
GTZ	
IFAD	International Fund for Agricultural Development
LDF	Local Development Fund
LPP	Local Planning Process
M&E	Monitoring and Evaluation
MoEF	Ministry of Economy and Finance
MoI	Ministry of Interior
MoWVA	Ministry of Women's and Veterans' Affairs
MRD	Ministry of Rural Development
NGO	Non-Governmental Organisation
NPPP	National Professional Project Personal
NCSC	National Committee for support to the Communes
PAG	Permanent Advisory Group (Sida)
PDP	Provincial Development Plan
PDIP	Provincial Development Investment Plan
PPM	Provincial Programme Manager
PRDC	Provincial Rural Development Committee
RGC	Royal Government of Cambodia
Sida	Swedish International Development Co-operation Agency
SIP	Seila Investment Plan
SP	UNDP-Donors Seila Support Project
STF	Seila Task Force
ToR	Terms of Reference
TSS	Technical Support Staff
VDC	Village Development Committee
VDP	Village Development Plan
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme



# EXECUTIVE SUMMARY

( To be completed in the final report)

## ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
CAHREL	Cambridge Area Rehabilitation and Regeneration Project
CC	Commune Council
CDC	Commune Development Committee
CDP	Commune Development Plan
DDF	Decentralised Development Fund
DEID	Department for International Development
DET	District Facilitating Team
DRDC	District Facilitating Development Committee
EACOM	Executive Committee (PRDC)
EIA	Environmental Impact Assessment
GTZ	International Fund for Agricultural Development
IFAD	Local Development Fund
LOP	Local Planning Process
LPP	Monitoring and Evaluation
MEP	Ministry of Economy and Finance
MoEF	Ministry of Interior
MoI	Ministry of Women's and Veterans Affairs
MoWVA	Ministry of Rural Development
MRD	Non-Governmental Organisation
NGO	National Professional Project Personnel
NPP	National Committee for support to the Communes
NCSC	Female and Youth Group (Sida)
PAG	Provincial Development Plan
PDP	Provincial Development Investment Plan
POIP	Provincial Programme Manager
PPI	Provincial Rural Development Committee
PRDC	Royal Government of Cambodia
RGC	Swedish International Development Co-operation Agency
Sida	Sida Investment Plan
SIP	Sida Support Project
SP	Sida Task Force
STP	Terms of Reference
T&R	Technical Support Staff
TSS	Village Development Committee
VDC	Village Development Plan
VDP	United Nations Capital Development Fund
UNCDF	United Nations Development Programme



## 1. INTRODUCTION

### 1.1. *PAG's final report of CARERE2/Seila*

As of end June 2001 CARERE2 will end and be replaced by the new Seila programme, and the donor Seila support programme on Partnership for Local Governance. As the Seila programme is entering into a new phase from 1 July 2001, the mandate of the present PAG on CARERE2 will end by the end June 2001. Thus, CARERE2/Seila as well as the PAG will close their present operations and end the connections. The present report, which is the seventh major monitoring report from the Sida PAG on CARERE2, is also the group's final monitoring report. It is, however, envisaged that a new multi-donor PAG group will be instituted for the new Seila programme

### 1.2. *PAG tasks and fieldwork*

The overall ToR of the PAG includes the tasks of the seventh monitoring Mission (Appendix 1). In item 4.2 of the PAG ToR the specific tasks of the Mission are listed. The main objectives of the Mission were to:

- Follow-up on work plans for the period Jan-June 2001 in terms of results, achievements, budgetary outcome, etc.
- Assessment of the proposed work plan for 2001/2002 (if available)
- Analysis of the manner in which the transition from CARERE2 to Seila has been managed, including the role and contribution of the STF in this process.
- Follow-up on unresolved questions or agreements identified in previous, AM, PAG-reports and tripartite meetings.
- Analyse achievements, experiences and problems encountered in the expansion of programme activities into new provinces during 2001.
- Assess the current situation regarding relevant legislation and decrees with respect to their implication for Seila
- Prepare a brief final (completion) report for the Sida support to CARERE2.

Combined with the Monitoring Mission the PAG also conducted a specific study of the Seila 2001 expansion into five provinces. The purpose of the study was to:

- gain experiences of the strength and weaknesses of the management and implementation of Seila in the new provinces;
- assess the relevance of the critical factors that have been identified in a previous expansion study in November 2000; and
- establish factors for monitoring the further expansion of the Seila programme

The field mission of the PAG took place between 23 April – 4 May 2001. Four new Seila provinces were visited. The PAG had extensive discussions with the CARERE2 management, ministerial staff, and representatives of donors, NGOs and research communities in Phnom Penh as well as GTZ technical staff. In the visited provinces, discussions were held with PRDC and Excom members, district, and commune staff and villagers (Appendix 2).

### 1.3. *Acknowledgement*

The PAG wants to take this opportunity to thank the CARERE2/Seila management and staff for organising the meetings and the fieldwork and for allocating considerable time and resources to the PAG. We are particularly thankful for the open and frank discussions that we had with the PRDCs, Excoms, DFDCs, CDCs and VDCs as well as the villagers, and with the CARERE2 and other agency staff. We are grateful that the open dialogue could be maintained and further intensified.

### 1.4. *The report*

Below the PAG reports on its findings and observations. As this Mission is basically an updating of CARERE2/Seila performance and recent developments only a few major items are reported. For



example, no major developments have occurred concerning cross-cutting issues and are therefore not reported. The report is divided into two sections the first deals with the general monitoring aspects, which is specified, in the ToR. The second part assesses and analyses the recent 2001 Seila expansion into five new provinces.

This report is written for an audience that is familiar with the CARERE2/Seila programme. Therefore the report is restrictive regarding background, descriptive and explanatory text. Furthermore, the first part builds on the discussions and analyses of the previous six full PAG reports and six Mini-PAG reports.

## 1.2. PAG tasks and workload

The overall ToR of the PAG includes the tasks of the seventh monitoring Mission (Appendix 1). In item 4.2 of the PAG ToR the specific tasks of the Mission are listed. The main objectives of the Mission were to:

- Follow-up on work plans for the period Jan-June 2001 in terms of results, achievements, budgetary outcomes, etc.
- Assessment of the progress of work plan for 2001/2002 (if available)
- Analysis of the manner in which the transition from CARERE2 to Seila has been managed, including the role and contribution of the STF in this process
- Follow-up on unresolved questions or concerns identified in previous AM, PAG-reports and meeting minutes
- Analyse achievements, experiences and problems encountered in the expansion of programme activities into new provinces during 2001
- Assess the current situation regarding relevant legislation and decrees with respect to their implication for Seila
- Prepare a brief final (completion) report for the Seila support to CARERE2

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## 1.3. Acknowledgement

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## 1.4. The report

Below the PAG reports on its findings and observations. As the Mission is basically an update of CARERE2 Seila performance and recent developments only a few minor items are reported here.



## SECTION A: MONITORING OF CARERE2/SEILA

### 2. FINDINGS OF THE MONITORING

#### *2.1. Overall major developments since the last PAG*

In the first four months of 2001, the work continued with the formulation of the support programmes to RGC's Seila Programme. A framework paper for the Seila programme, a financial strategy and paper on partnership were produced and discussed. The UNDP-Donors Seila Support Project<sup>1</sup> (SP) was presented in various drafts. Intense discussions on the scope, management and executing arrangements took place while the PAG Mission was in Cambodia. The final version was presented in the first week of June - way behind schedule.

Another main development was the DFID/Sida appraisal of the Seila programme, which took place in April 2001. Extensive discussions have also been held with ADB, World Bank and the EU and other bilateral donors for wider financial support to the new Seila programme as well as closer coordination between the Seila work and other rural development initiatives in the provinces where Seila is operating.

The expansion into five new provinces has proceeded according to plans. The local planning process is delayed, but not more so in the new provinces than in other more established "Seila provinces". However, as will be discussed further in Section B, the Seila process in the two provinces that is supported by GTZ is much behind in their Seila establishment and planning process.

#### *2.2. Workplan 2001*

The workplan for the first six months of 2001 was reviewed and since only two months remains, the PAG-Mission had no major comments to make. Although the CARERE2 programme ends in June 2001, there will be a continuation of the support. However, the exact amount and the budget for the last six months of 2001 were not finalised when the workplan was prepared. Consequently, only an indicative activity plan is included in the workplan. Once the support projects to the RGC's Seila programme have been prepared the workplan will be reviewed and amended accordingly, to suit the objectives and outputs of the new programme.

During the first six months the progress of the CARERE2/Seila programme has essentially followed the workplan. However, delays have been noted in the LPP, which might in some cases affect project implementation, as work may not start before the rainy season. The drawn out planning process for the Seila support project has strained the CARERE2 management. Instead of using the last few months of CARERE2 for a transition into the new Seila, unnecessary energy and anxiety have been devoted to the work on the budget, execution and management arrangements of the new Seila support project.

#### *2.3. Seila/CARERE2 funding position*

Total financial requirement for year 2001, according to the Seila Investment Plan (SIP), is USD 15 million, of which USD 10.3 million is allocated for investments and USD 4.7 for programme support. Available resources for 2001 amounts to USD 10.6 million excluding earmarked funds from WFP of USD 4.4 million and IFAD sector specific TA of USD 1.2 million.

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<sup>1</sup> Partnership for Local Governance



The funding position for the whole 2001 is secured, while the later part of the year, which is the first months of the new Seila, will have an estimated shortfall of some USD 2.4 million. This shortfall may be financed from balances out of CARERE2, provided that the donors allow these balances to be utilised in the new Seila programme. Sida has also indicated that the unutilised Sida funds at UNDP may be used for bridging possible shortfalls in the period July-December 2001.

The funding position from early 2002 seems to be satisfactory, as new donor funds will come on stream, such as DFID, World Bank, etc.

## **2.4. Systems development and transfer**

An essential part of the CARERE2 programme is to develop and transfer systems to the provincial and commune administrations and to certain respect also to the central/national level. These systems encompasses planning, financial management, development implementation, personnel management and monitoring and evaluation including reporting. In the regular PAG monitoring, three areas have been monitored: planning, financial management and M&E.

### **2.4.1. Monitoring**

The problems with the existing Monitoring and Evaluation (M&E) system and transfer have been extensively discussed in previous PAG-reports. The current system still has major problems, but it is the view of the Mission that focus should now be on the development of function M&E system for the new Seila programme. Work on a new and more suitable M&E system has been initiated since late 2000, and the plan was to have a functional system in place at the beginning of the new Seila programme – in July 2001. A framework paper for the future monitoring and evaluation system was presented in February 2001, which has been discussed within CARERE2/Seila as well as among donors.

There is still considerable amount of work to review further, analyse and operationalise the framework document. The CARERE2 management has summarised their views of the M&E future work (Appendix 3), where the salient points are:

- There is a need to review and rebuild the entire current M & E system.
- The M&E framework provides an adequate and logical structure using the Seila logframe.
- A process shall be initiated that develops the M&E strategy and system for the Seila 2001 – 2005 program.
- Conduct an expanded Means of Verification (MOV) analysis of the framework.
- Review and make changes to the current M& E reporting system and formats in light of the expanded MOV analysis.

### **2.4.2. Documentation of the Seila experiment**

All external evaluations and monitoring, spanning over almost a decade, all come to one basic conclusion that CARERE2/Seila must be regarded as a 'development success'. Not only is it a success story of multidisciplinary local development, it has succeeded 'against the odds' in a politically sensitive process. The emerging question is of course 'Why'.

Although CARERE2/Seila must be one of the most thoroughly monitored and evaluated projects in Cambodia, most evaluations suffer from having little time in the country, little prior knowledge of the programme and the country, having ToRs that are near-sighted, and not having the benefit of hindsight knowledge. As a result, most reports are focusing on description and details with little systemic explanation value. Largely, this also holds for the strategic evaluation that was done in March 2000. The critical aspects of the CARERE2/Seila model, its experimental character and mode of implementation have never really been analysed. Nor have the evaluations provided answers to questions such as: what has CARERE2 actually done, why has it worked, what are the specific factors



behind the success, to what extent can it be generalized. Furthermore, what are the lessons learned from this experiment that would provide stakeholders in decentralised local development with important knowledge and experiences? This is particularly important for Cambodia, but also for the policy makers and donors in a regional and international context.

During the whole lifetime of CARERE2/Seila the importance of documenting the Seila model has been discussed. This was one of the objectives of CARERE2, and more importantly the Seila experiment in decentralised governance and rural development, deserves to be disseminated and discussed in wider circles.

This matter has been raised in all previous PAG's reports, and unfortunately little progress has been made. However, this time the Mission noted that Sida has allocated funds and that there have been discussions on the documentation and analysis of the programme to become an integrated part of a major Sida funded comparative study on three integrated area development programmes. There are pros and cons to a total integration of the Seila analysis with the comparative study. One major reservation to such an arrangement is that an analysis of the CARERE2/Seila experiment, which goes beyond the analysis and evaluation done so far, requires a team that have considerable experience of the programme. The issues suggested to be addressed in the analysis are not easily identified and analysed, if the persons doing the study do not have a deep knowledge of CARERE2/Seila and the Cambodian political, socio-economic and cultural settings. However, the proposed study of the Seila experiment would benefit from a close coordination with the Sida proposed study of three area development programmes. The fieldwork in Cambodia should be done at the same time, thereby ensuring cross-fertilisation and saving time of the stakeholders to serve the evaluations.

#### *2.4.3. Planning*

As observed in the previous PAG report, planning systems are being transferred towards public investment management and the national level has been included to a larger extent. The Mission noted with satisfaction that this development continues.

#### *2.4.4. Financial system*

The transfer and capacity building in the financial management system is continuing. The Mission noted with satisfaction the "indirect payment" will become the standard model –the communes (CDC) will pay the contractor. The direct payment will be an optional arrangement, suitable where banking services are absent. The provinces/communes will use ACLEDA for their banking services, as ACLEDA is established in all provinces except Ratanakiri. When in full operation the CDCs will open a bank account for the USD investment (Seila foreign assistance) and a Riel account in the provincial treasury. The latter is pending a MoEF approval.

The Mission also noted with satisfaction that there is conscious move away from project implementation financing towards budget thinking. From July this year the intention is that the provinces and the CDC will enter into contract regarding transfer of commune funds divided in two tranches per annum. This will be the first step into budget allocation transfer to the communes.

The new Communes Councils (CC) needs to develop accounting and financial systems. For that purpose the MoEF, as part of the work of the NCSC, has set up a Fiscal Decentralisation Taskforce, which was established in January 2001. Among other tasks, the work of this group will include establishment of a new systems of decentralised funds that will replace the Local Development Fund currently under the Seila system. Three foreign experts are assisting in the development of decentralised financial systems: (1) inter-governmental transfer systems (financed by UNDP/UNCDF), (2) CC financial systems (financed through CARERE2/Seila) and (3) commune financial resources mobilisation.



### 3. ASSESSMENT OF THE LEGAL SITUATION ON DECENTRALISATION IN RELATION TO SEILA

One of the key uncertainties in relation to the future of Seila and its expansion is the development and dynamics of the decentralisation process. A general perception at provincial level is that Seila and the decentralisation process are largely considered as mutually supportive. However, a closer scrutiny reveals several ambiguities. The significance of these uncertainties should not be underestimated. The approach, systems and concepts of Seila do not automatically function under any situations or structures, but are rather dependent on its specific procedures and mode of operation. The decentralization process might forcibly alter these factors. Some believe that Seila should change and adapt since the decentralisation reform is a greater process. Thus, it is naturally that Seila will be overtaken and integrated into the decentralisation process. At all levels of the Cambodian civil administration the passing of the Commune Administration law has turned the principal of decentralisation into a formally endorsed policy, resolving previous doubts on whether Seila was the right path. Few, if any, incompatibilities are yet identified on lower levels between Seila on the one hand and the decentralization reform on the other. At central level, it is virtually the same people that pursue Seila that also work on the decentralisation reform. This is sometimes taken as a guarantee that the process will work and that Seila will not be mistreated in the process. This cannot, however, be taken for granted.

The timing regarding the formal decision and implementation of decentralization has been the worst imaginable from a perspective of long-term planning and decision making on the new Seila programme. Had the decision on Seila been taken earlier it would have affected the decentralisation reform to greater extent than currently is the case. On the other hand, had the decision on the new Seila been taken at a later stage it could have adapted itself to the operation of decentralisation reform. Now it can do neither, and the harsh fact is that at the current stage nobody can foresee how the dynamics of the decentralisation process will affect the future work of Seila. However, below we will point out a few key issues, which might be worth taking into consideration.

From having been a detailed regulating Commune Law in the draft, it has turned into a 'thin' law, awaiting a vast number of clarifying and supplementary sub-decrees. This is not surprising, however, and falls in line with a Cambodian tradition in writing laws. In a sense this makes the process easier to handle since sub-decrees are not subject to an as elaborate process as laws are. In another way, this is however worrying. People, with long experience in the law-making process in Cambodia, have another interpretation and see a pattern: the sub-decrees, necessary for making the laws meaningful, do not emerge, which leaves the rule of law hanging and gives greater space for the 'rule of man'. In this particular instance, the Mission does not think that this will be the case, given the huge amount of attention paid to this process, and given that a smooth implementation of this reform seems to be in everybody's interest. It is, however, necessary for the civil society to keep a close contact with and monitor the construction of Sub-decrees and *Prakas*.

As a result of the Seila decision to base itself at the commune level, the CDCs were turned into the key platform. The law does not offer any protection for the CDCs. It does open up a possibility for the Commune Councils to utilize the CDC through a vaguely formulated clause, '*A commune/Sangkat chief shall have rights to appoint various committees to give advice and to assist various affairs as necessary*' (Art. 27). There are two different risks involved here: the first is that the CDCs will not be utilized, nullifying the work on local participation by Seila. For instance, in 2002, which body will formally receive and be responsible for the LDF? As the PAG understands, the body must be the Commune Council, which may or may not appoint a CDC, which in turn may or may not consist of people with previous working experience of CDC. How will they represent the villagers? All these may imply an immediate and radical, although not necessarily disruptive, change in the Seila structure and operation.



Since it is the decision of each commune leadership to decide on the CDC matter, at best the result will be mixed. The opposite of decentralised decision is the threat of a central regulation, which would undermine the dynamics of decentralisation and locking the process into a web of central control mechanisms. Such a development has already been noted in the early days of decentralisation in Cambodia (Cf. Eastmond & Öjendal 2001)). The probable outcome is that in well established Seila areas, the use of CDC will in the short-run be natural and wide-spread, while in communes with no or little Seila presence, CDCs might not be established - or at least not in the form as is known from Seila. Even more drastically, if commune chiefs are shifted across-the-board as a result of commune elections, there might be a risk that the chiefs having experience with Seila are replaced, or at least pushed into opposition. Consequently, the experience from and knowledge of Seila structures and methods would be severely reduced.

The VDCs are also under threat. In the law there is no mention of the VDCs. Instead there are calls for 'simple elections' by village chiefs. How these will be carried out shall be further defined in coming sub-decrees. With an elected village chief, there may be little justification for a separately elected VDC. Whatever is the case, how do the village chiefs or VDCs relate to the commune administration? While this might not be much of a formal or structural problem, as perceived from above, it does further diminish popular participation in commune development planning by villagers. Further, the closure of VDCs and CDCs elected by the VDCs it is likely to reduce female representation in local development discussions and upset the gender balance which has been such a strategically vital area of the CARERE2/Seila undertaking. With no self-evident presence of village chiefs in the Commune Council or CDC, the informal chains of vertical patronage between village chiefs and commune chiefs might be renewed, and increasingly significant for the placing of development projects. This would negatively affect transparency and accountability, and undermine popular legitimacy. Thus, combining the bad scenarios of the two developments above implying diminished importance and presence of the CDC and the uncertain future of the VDCs, the safeguards for good governance on local level and the continuation of *real* bottom-up planning will drastically be reduced.

The *clerks* that will be located to the Commune Councils have been the subjects of much debate. While critics suspect that they are inserted for the wrong reason, advocates see them as the ultimate guarantee of success of both Seila as well as the decentralisation process. In the latter perspective, the clerks are educated, Seila-knowledgeable, well trained additional administrative resource in each commune. The former sees them as political watchdogs employed by the MoI to control, and perhaps dominate, the commune councils. To date, the clerks have been recruited and trained, and people with insight into this process are positive about both the quality of the people and about the training they undergo. Admittedly, they could have a positive impact on the implementation of Seila.

Monitoring and evaluation (M&E) of Seila operations at commune level could be a complex issue, as several agents involved are in dire need of M&E capacity strengthening. These operations will be under the authority of STF and the control functions of the Commune Councils, which is under MoI authority. None of these bodies have established M&E processes, or any tradition of doing M&E, and they will be doing the work in a politically tense situation. In addition, all the M&E problems resting with the CARERE2 and the new Seila programme, as discussed in Section 2.4.1 above, are very much a reality at the commune level.

In addition, the Commune Law contains a number of concepts as yet undefined such as 'professional aptitude', 'misuse', precise mandates in terms of the Commune Councils 'legislative and executive powers', more exact justification for MoI intervention in Commune affairs, etc. However, the Mission believes that these definitions are currently being worked out in Sub-decrees, and it might be too early to speculate in their impact on the decentralisation process and concepts of transparency and accountability promoted by Seila. An important point, although beyond the task of the Mission, is how these terms will be translated and understood in the Khmer context.



#### 4. TRANSITION INTO THE NEW PHASE

At the end of the PAG mission, in the first week of May 2001, it was still unclear what CARERE2 was transiting into, as the management and executing arrangements were still unclear. In February 2001 a plan of actions was discussed and approved between UNDP, DFID and Sida (Table 3.1). This plan was considered essential to ensure a smooth transition from current CARERE2 to the new Seila. In assessing the fulfilment of the plan in early May it was noticed by the PAG that the process was seriously behind schedule. The four weeks that have elapsed since the end of the PAG mission has further delayed the process rather than accelerating the process to regain lost time. As may be seen from Table 4.1., many of the critical actions are still not completed. Consequently, the first months of the new Seila may be in jeopardy as funds need to be transferred, contracts signed, etc. That work is much dependent on still missing actions. A situation has been created, which is actually worse than the transition from CARERE1 to CARERE2, where the first six months of CARERE2 were devoted to close CARERE1 and to initiate the new programme. In that process considerable time was lost. Despite an extension of the old CARERE2 the donors were unable to prepare the support programme in time, while the RGC had prepared its Seila programme in time. However, as indicated in Table 4.1 much work remains concerning requests, agreements, transfer of funds and contracts.

**Table 4.1: Plan of Action of the finalisation process of the new Seila**

Action	Dead line	Current Status Early June 2001	Responsible
Appraisal of Seila and Support Document	March 2001	Completed	Sida/DFID
Request from RGC	March 2001	Not completed	RGC
Meeting of the Seila Forum	March 2001	Not done	STF-S
Notify UNOPS as cooperating agency	1 April 2001	Discussions held	UNDP
Local PAC/UNDP	1 week of April	Completed	UNDP
Letter of intent to UNDP from Sida and DFID	10 April	Completed	Sida DFID
UNDP request to Sida (DFID) on funding of the Support Project.	April 2001	Not completed	UNDP
Job description of the positions of the UNDP-Donor PSD	April 2001	Completed	STF-S
Sida decision to support Seila	May 2001	Completed (mid June)	Sida
UNDP decision on funding the support project	May 2001	Not completed	UNDP
Agreement between UNDP and the RGC on Seila	May 2001	Not completed	UNDP/RGC
Sida agreement with UNDP on Trust fund arrangement	1 June 2001	Not completed	UNDP/Sida
Sida funds transferred to UNDP	Mid June 2001	Not completed	Sida
Funds for support project committed and transferred to UNOPS	Mid June 2001	Not completed	UNDP
Contract between MoEF and STF-S	June 2001	Not completed	RCG
Contract between STF-S and Provinces	June 2001	Not completed	STF-S, Prov.
Seila Secretariat established and staffed	June 2001	Not completed	RGC
Funds transferred to Seila	End June 2001	Not completed	UNOPS/UNDP
TA -Staff recruited and contracted	End June 2001	Not completed	UNOPS

The first six months of the Seila programme July – December 2001 will thus be considered a transition phase in many respects, such as:

- Closing of CARERE2 operations, and transfers of CARERE2 contracts to the New Seila programme.
- Programme management will continue as under CARERE2
- Capacity building for national execution will take place.



## 5. PARTNERSHIP

At the Consultative Group meeting in Paris May 2000, a partnership format and policy between the RGC and the donors was presented by the Government suggesting a concept or paradigm shift from 'donorship' to 'ownership'. The partnership was based on the principles of strengthening development partnership and simplifying and harmonizing donors' procedures agreed by donor countries/agencies at the 1999 OECD/DAC Conference. Key components in the partnership arrangement are the following:

- Developing a common vision and shared objectives
- Setting up mutually agreed governance and accountability structures
- Developing harmonized strategic management capacities
- Developing harmonized operational capacities
- Developing learning and adaptation capacities
- Build trust among the partners

The new Seila programme has been identified as one of the programmes that would be suitable for enhanced partnership between the RGC and the donors. A special framework paper on partnership has been developed. However, the Mission noted with concern that the development and formulation of the SP did not live up to the expectation. Especially in the final phase of the formulation of the programme, hardly any consultation existed between UNDP and the Government. In addition there was little partnership among the donors, as responsible agent for the formulation of the project had its own agenda. Unfortunately, it was again confirmed that there is a big gap between rhetoric and reality.



## 6. FOLLOW-UP ON PREVIOUS PAG RECOMMENDATIONS

The Mission noted that most of the follow-up on the recommendations in the previous report has largely been addressed. The process on the documentation and analysis of the Seila experiment has been decided, but the ToR and workplan are still missing. Similarly, the issues on EIA on Seila projects have not been tackled. It is the view of the Mission that the recommendation regarding EIA should be revisited and addressed immediately in the new Seila programme. The responsibility regarding the former recommendation now rests with Sida.

### 6.1. Follow-up on recommendations from the previous (6<sup>th</sup>) PAG-report

Below follows a review of the recommendations made in the previous PAG report. Where work and developments have been insufficient it is recommended that donors and Seila management will revisit and urgently address these matters. The previous recommendations and status are:

- A smooth transition into the new Seila is essential to minimize disruption and avoid loss of capacity and confidence already built. Therefore, the work on exit CARERE2 and entry Seila should start already in early 2001. Therefore a strategy should be established.
  - *Comment: The work on transition still remains and the preparation of the support project is seriously delayed.*
- It is recommended that the documentation and analysis of the CARERE2/Seila experiment will receive highest priority, and that a suitable consultant (or group of consultants or a research institution) is immediately engaged and resources allocated. An allocation to this effect can be included in the agreement of the financing of the extension of the CARERE2 for 6 months in 2001.
  - *Comment: work remains on ToR, workplan and tendering for this assignment.*
- The financial system should encourage the indirect payment mode, where the banking system allows. An indirect system will give greater power to the communes over the funds and payments – a situation that will eventually be realised when the decentralisation reform has been implemented. The mode of indirect payment should be encouraged to give the commune greater power and thereby ownership of the development process. Therefore it is important that the commune officials receive training already now, through learning by doing.
  - *Comment: Indirect payment will in the new Seila programme become the normal format.*
- An M&E system and strategy should be developed and established before the new Seila starts.
  - *Comment: Considerable work remain in this area, which should receive priority*
- The CARERE2 –management and STF should take concrete steps to encourage a larger share of women in management positions in the programme.
  - *Comment: No developments have been observed by the Mission.*
- CARERE2 and Seila shall immediately start to recruit additional staff to ensure that sufficiently trained and experienced staff is available in 2003 when the new great expansion will take place. An overstaffing in 2001 and 2003 is necessary to secure sufficient staff during the whole programme period.
  - *Comments: Due to the delay in the support project no developments have occurred.*
- There is great need for additional training in the financial systems within departments, but more so at commune level.
  - *Comments: Steps in this direction have been taken*



- To monitor closely and analyse the experience of the expansion – roll-out strategy- of Seila in 2001-2002. The result should decide the pace of the expansion.
  - *Comments: The Section B of this PAG-report could serve as a tool for developing monitoring system for the Seila expansion*



## **7. CONCLUSIONS AND RECOMMENDATIONS ON THE MONITORING (SECTION A)**

### **7.1. Conclusions**

The lack of partnership, transparency and trust among the key stakeholders have caused serious problems in the transition from CARERE2 into the new Seila programme. Serious delays have been the result and caused much frustration among donors and the STF. The delays will have negative impact on the transition and the work of launching the new Seila programme. It is the hope of the Mission that past frustrations will not affect future cooperation and partnership.

The Mission also noted that the Seila partnership group has not been meeting, which is also an indication of the lack of partnership commitment. The PAG urges the stakeholders to really address the partnership arrangement and take this opportunity to use the Seila programme as a good model.

Unfortunately, the worst scenario elaborated by the PAG (AT), and mentioned already in one of the first reports, where the transition will be cumbersome and show great uncertainties seems to have come true. The Mission wants to express our respect to the STF, the provincial and commune administrations, villagers and CARERE2 staff for their patience, flexibility and commitment to the Seila programme and concepts, despite all the problems and delays in formulation of the Support project (SP).

### **7.2. Recommendations**

In addition to the revisiting of previous recommendation as elaborated in Section 6 above, the Mission wants to give the following recommendations:

- The Seila partnership arrangements should be vitalised and realised. In this matter it is important that the STF and UNDP assume their respective responsibilities and allocate resources accordingly.
- UNDP should assume the role of strategic coordination and monitoring and evaluation.
- RGC should immediately start the recruitment of STF secretariat staff, and make the necessary institutional arrangements.
- The process to finalise the required agreements and contract should be given the highest priority.
- The process – content and timing - of the working out of sub-decrees should be closely monitored.
- Seila (RGC) shall recruit necessary staff at provincial and commune level to build the capacity for future expansion. In this recruitment process, special attention should be paid to the need for a better gender balance in the staffing at all levels. A specific goal should be established; for example one third of the staff should be women.
- RGC and donors, through the partnership arrangement, should closely monitor the Seila expansion according to the recommendations in Section B of this report.



## SECTION B: THE SEILA EXPANSION

### 8. EXPANSION OF SEILA

As an integrated part of the monitoring of CARERE2/Seila, the PAG Mission conducted in November 2000 a study of the year 2000 expansion of the program<sup>2</sup>. The analysis and conclusions of that study was largely based on the Pursat experience. The findings have been reported separately (Seila Expansion, Stockholm January 2001). As a continuation of that study, the current PAG Mission conducted a study of the expansion in four of the five the new provinces where the Seila programme has recently been introduced.

The debate on the most proper rate of expansion of Seila seems to have been the principal issue in the planning of the new Seila programme. Two distinctly different positions have been taken:

- The golden opportunity of Seila is to adapt its expansion rate to the decentralisation reform. In that process the Seila experience would colour the entire decentralisation process, improve its quality and safeguard the long term survival of the Seila mode of working.
- Through too rapid an expansion, the Seila project will be watered down to such an extent that the intrinsic qualities of Seila are jeopardized, and the project is likely to degenerate into oblivion and will become one of many integrated rural development projects. The uniqueness of Seila experience would then be lost.

To condense the arguments, the former is more concerned about decentralisation and reformation of local governance on a national level (which needs all possible support), whereas the latter is more concerned with preserving the concepts, sustainability of methods and approaches and the success of a major development project. Both aims are valid and logical in the Cambodian economic and political context. However, there is an internal conflict between the two and therefore it seems unlikely that they could be achieved simultaneously. An exemption to this perceived contradiction would be that the Seila programme received a significant increase in core funding over the programme period 2001-2005. Where may the ultimate equilibrium be found between the Seila concepts, systems and methods on the one hand and an expansion to support the decentralisation reform on the other? How would decision makers know when the proper expansion rate and balance have been reached?

Several scenarios may be identified concerning the expansion, each having its costs and benefits (Table 8.1). To strive 'upwards' (towards Scenario 1), without sliding 'to the right' (declining quality) is the desired ambition. Assessing to what degree the current expansion has implied a 'slide to the right', and what indicators the Mission can identify as a warning of such a development, will be elaborated in this Section B.

<sup>2</sup> The decision of the expansion was taken around October 1999.



Table 8.1: Expansion rate and the quality of the Seila programme

Expansion rate \ Degree of quality	Quality maintained	Quality declining
<b>Rapid expansion</b>	1) This is the desired position although it is unlikely to be reached in full.	2) The is the high risk scenario, particularly if M&E is not meticulously kept up and/or the awareness of the risk of decline is low.
<b>Moderate expansion</b>	3) The safe and low risk solution. This would virtually imply 'business as usual'.	4) This could be the scenario if the decentralisation reform accelerates and overtake Seila as the main vehicle for commune development in the next 5 years (see note).

Note: Concerning Scenario 4 in the Table it is important to underline the fact that Seila per se should not become separate from the decentralisation reform but be an integral part of it. After 2005 the vision is that there is a total merger of the two processes, and that the scene for such a fusion is set during 2001-2005.

### 8.1. Previously Identified Critical Factors for Rapid Expansion

The findings of the 'Expansion Study' that was done in November 2000, identified five sets of 'critical factors' influencing the quality of the expansion:

- Preparedness, knowledge and motivation by new communes/village
- Capacity building of DFTs, PFTs, and TSSs
- Functioning SEILA-systems on province level
- Political consensus on province level
- Particular Circumstances and Practical Problems

Below these five factors will be analysed in terms of the Mission's findings from the four (of the five) new "Seila" provinces that were visited – Kampong Thom, Kampong Cham, Takeo and Prey Veng.

*Preparedness, knowledge and motivation by new communes/villages* was identified as a critical factor for rapid and successful expansion. Therefore, to get started in new provinces, it was recommended to select communes with high visibility and high success probability. The administration in the new provinces seems to have chosen a mixed strategy: easy access and simultaneously attempting to fulfill the poverty alleviation ambition.

The five selected communes (2001 expansion) in each province seem to have managed without having previous experience of Seila. During the Mission's visits, the CDCs showed a surprisingly good understanding of the Seila programme, with the exception of Kampong Thom, where the CDCs had just been established. Members of the CDCs were able to explain and uphold the planning priorities they have made. Moreover, they displayed a remarkable devotion to the idea of Seila, given the limited time of exposure to Seila and the fact that they have not yet seen any concrete results. This devotion is likely to be limited to the local elite and it was readily admitted in our discussion with various CDCs, that ordinary villagers had so far limited knowledge about Seila. Consequently, the villagers had difficulties distinguishing the Seila programme from any other development programme in the commune, such as EU, ADB or NGOs. Seila was considered as one of many NGOs.

The relative ease with which expansion in the new communes seems to have taken place, can be explained by five different factors:

1. The commune chief and some provincial staff have received considerable training on Seila practices and routines. The knowledge base might be slim in each commune, and there is a



risk that training on technical issues is better provided for (and better understood) than the 'soft parts' (concepts) of the Seila package.

2. The ratio of DFTs per commune has, so far, been fairly high (1=1) as well as LCB assistants per communes (1=2.5). Thus, intense back-up to the communes could be provided when needed.
3. The commune needs are so vast that there is an enormous pressure on the administration to take this chance that Seila provides and do it well – they cannot afford to fail.
4. 2001 has not really been a year of rapid expansion in the new provinces as only five communes have been included. 2002 will be more of a test in this respect as the plans are to expand to 35 communes in each new province.
5. The capacity in the commune leadership should not be underestimated. Given the right condition, these persons are often capable individuals.
6. The institution of commune clerks may also facilitate the future expansion after the establishment of the CC.

It is perceived that the particular problem of Seila being new to the province will diminish over time and next year there will be, at least, a minimum level of local knowledge of Seila. However, during the first years of spreading out, other expansion issues are likely to appear and grow in importance. It might still be essential to promote maximum visibility of the first year's experience through, cross-visits, information meetings, twinning, etc.

The argument on preparedness and motivation as a pre-requisite still stands for the success of a future expansion. But so far, new communes have managed quite well without any particular prior knowledge of Seila. The strong motivation is one important factor contributing to successful implementation of Seila. Kampong Thom might pose an exception, since they are currently working with two parallel structures that are markedly different. This fact may disallow the village and commune leaderships to be confident in the practices of either of the two models. The confusion prohibits the degree of development of identity and loyalty with Seila, beyond a casual recognition that was found in the other provinces.

*Capacity building of DFTs, PFTs, and TSSs* was another critical factor identified in the previous expansion study. The 2001 expansion into five communes per province does not seem to cause any particular capacity crunch in this respect. However, in light of the planned expansion for 2002, the number and capacity of the DFTs, PFTs, and TSSs are crucial. It seems though that with well planned recruitment, planning, funding and training, enough capacity can be secured. It was unanimously claimed at province level that there are enough suitable and interested persons to be found on province and district level. Although complex in many respects, the creation of sufficient capacity turns largely into a technical issue. It will still be complex. For example, to fit the timetable of next year's expansion, the recruitment of new staff should be completed in August 2001. In June 2001, it was still unclear how funding for the recruitment of new staff will be secured. The TSSs is a particular problem since they require technical skills to perform their tasks, which are not easily taught at local level in a few days or weeks. Consequently, the TSS position might be the most difficult one to fill<sup>3</sup>.

It could also be argued that the new DFTs, PFTs, and TSSs face a more simple adaptation problem as they do not have to go through multiple changes in procedures and methods, which has been the case in establishing the current system in the 'old' provinces. The PAG-mission found nothing that seriously questions the assertion that DFTs and PFTs (and possibly TSSs) in sufficient numbers could be found and adequately trained. However, we would like to add that creating the right combination and timing of recruitment and training is difficult, and that the principle of frontloading capacity, as argued in the PAG's 2001 expansion study (covering expansion in 2000), is still valid. This means that Seila not only needs to find and train *sufficient* number of DFTs, PFTs, and TSSs, but also actually needs to find and recruit an *excessive* number of candidates. Again, the quality of the skills of the

<sup>3</sup> This was already observed in the previous expansion study, as the Odtar Meanchy administration had great difficulties to recruit TSSs.



newly recruited personnel is the key, rather than the number; particularly as rapid recruitment may put the 'soft parts' of Seila at risk.

Finally, from spring 2002 and onwards, there will, according to the new law on commune administration, be a relatively well educated and resourceful 'commune clerk' placed in each commune providing additional supervising capacity. These clerks are already recruited and are now being trained. Information on Seila practices are integrated in their overall training, although it is unclear whether that will be enough for them to function as supervisors for the commune leadership in implementing the Seila project or to identify with and defend Seila concepts and methods. Possibly, they will also be primarily pre-occupied with other, sometimes conflicting, duties. The role and function of these clerks – recruited, trained and employed by the MoI – has been widely debated in relation to the commune reform. However, by assuming that they are engaged for the right reasons and have a solid commitment, they will be a most significant capacity addition that will secure administrative capacity at large.

A rapid expansion requires, moreover, *functioning SEILA-systems on province level*. So far, with only five communes, tentative and ad hoc solutions could carry the process, but with an additional 30 communes next year, the systems must be trimmed and well established. With only five communes in each province, with a small LDF, and with DFTs in the field most of the time, there is as of yet relatively little to manage. Most of the work is going on in the communes, not at provincial level. While not frictionless, the Contract and Administration Unit and the Finance Unit of Excom seem to have established themselves well. Although the financial system will be modified and the workload will increase sharply next year, the Mission has not been able to detect any structural problems. Further, provisions are made for additional staff and training.

However, two problems have presented themselves. The first is the tendency that other projects have recruited the most well educated personnel, thus squeezing a less cash-rich Seila. The second is that next year there will not only be an expansion in number of communes, but also there will be sector investment resources available, thereby augmenting the complexity and workload at the province level. Finally, in terms of the finance system, the 'devil is in the details'. It cannot be emphasized enough how important it is that the Seila systems are free of corruption and is transparent. To lose that quality would be disastrous. Therefore, a tightly managed and functioning financial system is the key to maintaining a corruption-free system. The financial system is a natural part of the overall M&E system, which needs to be in place.

The absence of a functioning M&E system might be the major problem. A key to the relatively easy expansion so far is the experience from previous years of experimenting in the areas of planning, financial and administration management and development project implementation. A manual has been derived from the CAREERE2 experience and experiment in various systems. However, M&E has no clear experience to draw from. The outline in the manual is thin and the new M&E framework needs further elaboration as discussed above. Moreover, great political pressures seem to be building for rapid expansion combined with an opinion that Seila can expand fast. Decisions on expansions should be based on critical indicators where a functioning M&E would provide a key input. If not properly managed, the expansion monitoring will face difficulties, leaving the issue of the appropriate pace of expansion open to everybody's guess and vulnerable to political manipulation.

Furthermore, as Seila is increasingly subsumed under government control, the risk for widespread corruption increases. One obvious counter measure would be an operational M&E system. At the moment, the Mission cannot envision that the present M&E system can perform a proper role during the rapid expansion in 2002. In such a situation, having a less than solid M&E system confirming the quality of the program, it is an obvious risk that either the Seila character will diminish and other projects will take over, or worse still, that Seila itself will degenerate. The lack of a solid M&E system might be the greatest overall danger to the project in the longer term and considering the particular socio-political context that Seila is moving into.



The urge for *political consensus on province level* is partly outdated as a critical factor. While still important, it seems likely that Seila has really become a national policy, that STF is assuming an increasingly forceful role, and that decentralisation is accepted in law (Commune Administration Reform and Commune Elections). These facts have made resistance or obstruction to Seila difficult at provincial and national levels. The lack of political consensus is, however, still visible, which is mainly due to competition from various donors and development agencies to attract the most qualified personnel, to have their own identity and to appear as the most important project in the province. This is, however, hardly a killing factor.

Finally, *Particular Circumstances and Practical Problems* is still very much of a critical factor. Firstly, geography - access - becomes crucial if few DFTs and TSSs are to cover a large number of communes, especially given that some of the new provinces (and communes) are large (Kampong Thom, Kampong Cham and Prey Veng). Practicalities such as the standard of motorbikes and the accessibility to radio communication will considerably improve the capability of the new provinces to cope with wide expansion, not to mention the status of Seila and motivation of its staff. This might be seen as a petty issue. However, understanding the working situation in the field, it turns into a crucial one; even hardened PPMs articulated their disappointment with the current level of material support.

## **8.2. New 'Critical Factors' Affecting the Appropriate Pace of Expansion**

One task of the PAG Mission was to identify a number of factors, which were deemed important for the future expansion rate of Seila. To some extent the newly identified factors are a continuation of the PAG's previous work as they address, expand on, and explain the critical factors that arose above in Section 8.1. As a general observation, the Mission wants to stress that with a rapid expansion, the margin for mistakes and delays is considerably reduced.

### **8.2.1. Financial resources - the critical assumption**

The discussion above indicated that most problems caused by a rapid expansion might be solved provided that adequate financial and TA resources are available, with the possible exception of the M&E system. At the time of the Missions fieldwork in Cambodia, the important matter of the Seila support project and financial resources were not sorted out (see Section A above).

Assuming that the overall financing situation will be solved, the smooth flow of these resources is particularly critical for expansion for two main reasons:

1. The last year's average allocation of LDF per commune was so small that any further reduction would render the funds marginal - thus not meaningful, and the idea of 'commune projects' lose credibility. Given the large expansion in number of communes (hence LDFs) next year, resources for this need to be safeguarded.
2. To make the expansion work, the number and quality of DFTs, PFTs, and TSSs need to be increased and their training need to be coming forth promptly. For this to happen, financial resources need to be available in August, the very latest early September. At the time we visited Cambodia, we could not envision how this would be possible.
3. To make integration District workshop meaningful, and thus the LPP and the bottom-up planning significant, beyond the limited LDF, real sector investment resources need to be forthcoming not only as part of supplementary Seila programmes (IFAD, etc) but as provincial general purpose funds. Further, this is an important matter since the communes in the new provinces have been acting on 'trust' of the villagers. Although currently small and where only one and two villages may be gaining in a year, LDF must be allocated and in an increasing amount. Trust is a good that is in short supply in rural Cambodia, which increases the urgency of getting the full dynamics of the Seila idea to start to work in order not to lose momentum and thereby capability of expanding rapidly.



### 8.2.2. *Technical Assistance*

Technical assistance in combination with sufficient provincial, district and commune staff is critical for a successful expansion of the Seila programme. The 2001 expansion into five new provinces was possible for two reasons: (1) CARERE2 could utilise human resources that existed in the 'old' Seila provinces by slimming the CARERE2 resources in these provinces, and (2) GTZ provide TA resources in two of the five new provinces (Kampong Thom and Kampot). The next provincial expansion, which is planned for in 2003, may not be able to draw on existing resources human or financial (GTZ). To make the expansion successful excessive staff must be trained in the existing provinces already from the start of the new Seila programme (2001). From the information provided on the budget of the UNDP – Donor support project this seem not to be the case. The Mission has the view that all possible efforts should be made to have a surplus of provincial Seila staff already from January 2002, at the latest.

#### 8.2.2.1. *GTZ Technical Assistance*

The Mission noted with appreciation that GTZ through IFAD have taken the responsibility to implement Seila in two provinces. This is beneficial from two aspects. Firstly, it was possible to expand Seila with five provinces in 2001, and secondly, it provides strategic information on how to handle a situation where Seila is implemented outside the support project. It is most likely that similar arrangements will be made, should Seila cover all provinces by 2005.

The Mission noted a great difference between the speed and understanding of Seila between the three new provinces that had former Seila management, and the GTZ provinces. This difference was expected, but according to the Mission, the gap was greater than foreseen. In Kampong Thom, the Mission found two conflicting models: on the one hand, there was the intense GTZ approach, which focused on village sub-groups and on the other, the Seila one that focused on the commune. Some GTZ TA staff thought that the Seila model moved too fast and lost the participation, thus the GTZ model was advocated. Other GTZ TA persons understood that to eventually cover all communes the Seila model was the most suitable. The slow progress of forming the CDCs and completing the LPP in Kampong Thom is a sign of the contradiction between these models.

The Mission is of the view that, rather than allowing a situation of conflict between the two models develop, Seila and GTZ should take the opportunity to develop systems and approaches where the two complement each other. The Seila model will establish structures and systems for commune development planning and management while the GTZ intense approach will ensure local participation in the commune development.

### 8.2.3. *Participation – the recurring question*

Although quite a number of village representatives are informed, involved, engaged, and committed in the Seila process, in reality only the commune leadership, often the commune chief and a few aides, are the ones who have a grip on Seila procedures. Villagers at large are unlikely to even having a rough idea on what Seila is, even less being enthusiastic about it.

This takes us back to an issue brought up in the last couple of PAG-reports: *if* CARERE2/Seila has the ambition to be participatory, in a direct sense, the combination of village focus and rapid expansion is contradictory. If, on the other hand, representative participation is seen to suffice, the current degree of participation does not constitute a problem<sup>4</sup>. It would serve all parties if a policy statement were to be issued on this point.

The key problem here might perhaps not be that Seila has started in the new communes before the villagers are knowledgeable and engaged in Seila, but rather to safe-guard concepts, methods and

<sup>4</sup> Eventually, representative participation will be supported by the emerging commune reform, including CC and village chief elections



functions to provide the villagers with a chance to get involved in due time. This line of reasoning brings the PAG to the prospects of the upcoming commune elections and it is intrinsically difficult to 'see around that corner'.

#### 8.2.4. *Understanding Seila*

Finally, the overall understanding, beyond the shallow adoption of policy lines, from the side of province civil servants need to be deepened. For instance, currently, many have difficulties distinguishing Seila from other projects and thus neither appreciating the entire 'software' of Seila, nor acknowledging its long-term potential. Most people involved with Seila over a long time, would like to see Seila as a system of governance and development of the rural areas, based on integrated bottom-up planning, local participation, and the reformation of the local state. The major quality of the programme is wasted, when it is viewed as just another development project, having its projected time and political limitations.

Moreover, it is not the technical aspects – e.g. what steps are included in the LPP, how to account for the money, or how to conduct a meeting in the CDC – which are the difficult ones to learn. Rather, it is the integration of certain concepts and practices, which are part of Seila but to which are at odds with traditional ways of doing things that pose the greatest difficulties. One reason for the previous success of CARERE2/Seila is that it has dared to give room for working with these aspects. The combination of rapid expansion, providing a shallow understanding of the Seila concept, and a weak M&E system could amount to a critical factor for the long-term success of Seila expansion.

Finally, on the national level there are a number of capable individuals who have a long history with CARERE2/Seila. However, with the reduction of the role of the international TA in combination with a rapid expansion, there is a need for a strengthened management and problem solving capacity within STF. The Mission noted that in the provinces, the lack of clear national leadership was perceived as a constraint already at this stage. The Mission's observation is not limited to overall policy issues, but rather on issues of management character. Without a strengthened STF, dependence on provincial support office will remain, undermining the capacity for the next round of expansion.

#### 8.2.5. *Local contribution*

Local contributions to the projects are an integral part of Seila as well as an indicator on legitimacy. However, this area is not free of problems. When projects were village based, it made a lot of sense that everybody contributed to 'their own' development. However, when projects turned commune based, some villagers are far from the location of the chosen projects and have no benefits from them. They still have to pay cash contribution. Although all CDCs complain that it is difficult to collect the cash contribution (3% of the project cost), it seems like CDCs eventually succeed.<sup>5</sup>

For the ones contributing in cash but receiving no or little benefits, the connection between paying contribution and receiving a development project is, to say the least, distorted. Cash contribution will in this case appear as a regular tax, from which they are supposed to be exempted, collected with no vision of returning services. It is an obvious scenario that the tax collectors – in the eyes of the affected people – will quickly turn into illegitimate state representatives simply extorting money, turning detrimental to the Seila ambition of improving the relation between the state and the civil society. This would seriously further undermine local participation and sense of ownership.

A more sustainable approach might be to limit cash collection to the villages, which are directly affected by the proposed project. It would definitely make more sense to peripheral villages.

<sup>5</sup> Contribution in labour (17% of project cost) is however, only collected from the villages/villagers directly affected.



## 9. MONITORING THE EXPANSION – A SUGGESTION ON INDICATORS

Facing the provincial expansion in 2000, many critical voices were heard. In hindsight, the expansion was not all that rapid and the threats towards the integrity of the project limited. However, it is intrinsically difficult to know beforehand what would be the ideal pace of expansion.<sup>6</sup> Ultimately it of course depends on which values and components of the project you prefer to safeguard: participation versus coverage; project activities versus regular state operation; quick impact versus long-term sustainability etc.

Below, however, the PAG will try to outline a number of indicators, which should be monitored and will show when the project is deviating from core features of the idea of Seila. While the outlining of a full M&E tool is beyond the scope of this assignment, the indicators below are selected so that they could be developed into a brief questionnaire and regularly circulated among the Seila staff. The result would be a 'thermometer' on project quality, on the result which more distinct in-depth studies could be planned and undertaken. Thus, the very idea of the indicators is that they should be comparatively simple to collect and assess. We have chosen to divide the indicators on what is quantitatively measurable and what should be qualitatively measured.

### 9.1. Quantitative information

Perhaps the best, most reliable and easiest indicator on the usefulness of Seila on the local level is the *degree of local contribution* (cash and kind). If a project does not make sense to the villagers, it will be difficult to raise local contribution. This is of course most relevant after a few cycles have passed.

If there is a *high staff turnover*, this might indicate either that remuneration is too low, or that the work task is too demanding. This is perhaps most pertinent for the DFTs who is both the key category in relation to expansion and the ones with the most exhausting work. If the quota of male staff consistently and considerably exceeds that of female staff, the idea of gender balance is not well integrated and may indicate the lack of serious attention to gender in other areas of the Seila operation. In terms of staff turnover, if considerably more female and male staff leaves, that may indicate that male perspectives and professional achievements are prioritised.

If *time schedules* slide hopelessly out of control, something is obviously wrong. While certain flexibility in terms of fitting the time schedules has been the order of the day in CARERE2/Seila, delays must neither be allowed to slide into the next year's activities, nor let the CDC/villagers lose confidence or money as a result.

The experience of the CARERE1 and the Quick Impact Projects – with plenty of non-sustainable projects – is not something that Seila would revert to. Such a development may still constitute a risk in speeding up implementation. A minor, random sampling of *physical quality of implemented projects* could be arranged, in order to appraise their quality.

The *number of parties present at the integration workshop*. If the integration workshop is well attended, and productive in terms of resources meeting plans, the local planning is valuable, and understood so. A declining interest, on the other hand, would probably indicate that either it does not work, or it is not (understood as) legitimate. With actors, we here include the full range of actors from line departments to NGOs.

Finally, *the attitude vis-a-vis, and the interests of contractors to work with Seila* and under which conditions they are willing to do so is telling. For instance, at one occasion we came across contractors

<sup>6</sup> This is evident in the contradictory conclusions that two senior consultants arrived at in two simultaneous studies in the spring of 2001 (Romero 2001; Birgegård 2001).



that had done substantial work without yet being paid, working with the good name of Seila as the only guarantee for eventually being compensated. The opinions of the contractors engaged are also a good indicator on the degree of corruption in the system.

## 9.2. Qualitative information

To qualitatively measure processes and outcomes are of course slightly more difficult and/or time consuming, but kept fairly simple it could still be achieved within what is a reasonable effort. If management is repeatedly taking *ad hoc decisions*, making *short-cuts* in the LPP-process (or other processes), or *loses transparency*, it could be taken as an indicator on that the process is going astray. At the same time, however, overall, the project must have the ability not to lock itself into a once-for-all shape, but *be capable of continuous change*. To fulfil this ambition takes time and effort, and if time and effort are not available, expansion might be too hasty.

Seila is special through its consistent ambition to build on bottom-up planning and to do so through gender balanced representation and perspectives. This is of course time consuming as compared to simply outlining plans at central level. Would *input from below* and/or *interest of villagers to be a part of Seila* decline, in particular if men's participation and concerns become clearly dominant, something has gone wrong.

CDC occupies a central role in the current design of Seila and its good functioning rests on that the CDC is *not assuming a 'self-enriching' role*; i.e. for instance, massing projects around the central villages and benefiting the local elite only. If they would, the idea of Seila has got lost somewhere on the way.

To change into a Seila mode of working requires a concerted effort of the provincial and district staff who has neither been primarily educated for this way of working nor do they receive a very high compensation for their work. The project builds, thus, to some extent on the *staff's motivation for their work*. If that motivation is declining, the overall functioning of the project is in jeopardy.

Finally, most importantly, but perhaps also the most difficult to assess properly, is *the degree of corruption in the project*. Currently it is our understanding that the project is largely, in Cambodian terms, free of corruption. This might, more than any other individual factor, contribute to the overall high degree of legitimacy, which follows Seila. If this feature is lost, or even if only the reputation is being lost, it would imply a major blow for the future of the entire project.

The qualitative indicators mentioned above all require a certain operationalisation, but as we see it, they could all be fairly easily transformed into revealing data on the soundness of the degree of expansion. Wanting to continue the work on safe-guarding quality along these lines, the indicators above (qualitative and quantitative) could easily be transformed into a quality check-up program: For instance, 'If XX number of DFTs have left their job within XX months, their working situation should be assessed.' Or: 'If three of the indicators simultaneously alerts, the pace of expansion should be revised.' Put into a single format, it could be used comparatively – between provinces – and as a yardstick on quality over time.



## 10. CONCLUSIONS AND RECOMMENDATIONS ON THE SEILA EXPANSION (SECTION B)

### 10.1. Conclusions

Given the dynamics of the decentralization process, a major conclusion at this stage of Seila development, concern the difficulties in foreseeing what problems the programme will face. In the long run, Seila will have to directly support decentralisation, but at the same time it is unclear how the programme will best carry out such support. In terms of expansion, we have seen little evidence that the expansion achieved would be 'too fast' or that the intrinsic quality of Seila would be jeopardized. It seems to us that we need to get away from discussing expansion in terms of numbers of communes, since there are many other factors that affect the capacity to expand. Instead a system of indicators have been suggested, which would provide signals to the management when expansion rate is too fast.

Another risk with 'numbers' is that they tend to become a standard which everybody should live up to (or else performance is bad). In such cases, command-style politics, with few references to the actual capability, may be re-enter the scene. This would, even in quite modest forms, be detrimental to the very idea of Seila. Overall, the greatest weakness of the expansion into the new provinces might be that the 'soft parts' of Seila is not yet understood, or fully appreciated, but rather perceived as just another development project.

Moreover, one reason for uncertainty is the dependence on the law on the Commune Administration Reform on a wide range of sub-decrees. The content and timing of this process is important for the general process of decentralization and need to be closely followed.

What seems obvious is that the foreseen level of financing is actually coming through. At times, during the last four years, for different reasons funds have been insecure or late. This has been successfully dealt with at local level, by employing a combination of flexibility and ingenuity, but nevertheless stretching both the capacity of CARERE2 and the confidence from the counterparts. With the size and the pace of the expansion of Seila in the coming four years, there will be little room for such hick-ups. This comment is directed both to the donors and the central financial authorities actually releasing the money.

The Mission also found that the critical factors that were identified in the previous expansion study are still valid with the possible exception of the need for political consensus, as that has been realised through the adoption of Seila as the major model for decentralised development. The mission has also developed several new indicators that would serve as management tools for decision regarding future expansion. In this respect the Mission comes back to the eternal problem of M&E: the Mission has stressed that the M&E system is, at best, thin, and, at worst, non-existent. The current phase of Seila must have a solid M&E system not only for monitoring expansion but the whole process.

### 10.2. Recommendations

The PAG recommends that:

- That greater nuance is employed regarding expansion rate, such as including provincial capacity and resources, rather than the counting of number of communes.
- The proposed indicators should serve as the base for monitoring the expansion the result of which shall direct future expansion.
- M&E is established so as to serve as a tool for monitoring the expansion of Seila.



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- The importance of the concept and 'other soft' aspects of Seila are stressed, as these aspects might be particularly threatened in a rapid expansion.
  - Outmost effort is employed to stabilize and secure long-term funding, all the way to the local level.



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## Appendix 1: Terms of Reference of the PAG



## Appendix 2: Schedule and persons met

(To be completed)

### Phnom Phen (23-24, 28 April, 3-4 May)

CARERE2 management

MOI

GTZ

Sida

DFID

UNDP

### Kampong Thom (25-26 April)

GTZ TA staff

Governor

PRDC, Excom and provincial heads of Departments

Visit to Communes (CDC and VDC) and School committees

### Kampong Cham (26 – 27 April)

CARERE2 staff

Governor

PRDC, Excom and provincial heads of Departments

Communes visits (CDCs and VDCs)

### Takeo (30 April)

CARERE2 staff

PRDC, Excom and provincial heads of Departments

Communes visits (CDCs and VDCs)

### Prey Veng (1-2 May)

CARERE2 staff

PRDC, Excom and provincial heads of Departments

Communes visits (CDCs and VDCs)



### Appendix 3: CARERE management summary of review of the M&E framework document

The main points are as follows:

- The document assumes that the current Seila M and E system will be the basis to operationalise M and E, albeit with a few changes. We thought that even though this is the starting point that given the fact that there is no tangible M and E system at the national level and the current heavy emphasis at the provincial level on sector contract M and E, and sector contracts have individual and often disparate logframes, (see analysis and recommendations on page 20), that we needed to review and rebuild the entire current M and S system.
- The framework provides an adequate and logical structure using the Seila logframe, having identified indicators for goal, objective and outputs and at each implementation level as well as, some means of verification and assumptions. Note that the MOV do not correlate to the MOI in the document. Therefore the Seila logframe is the basic tool for articulating project design and establishing a basis for M and E.
- Given that the Seila logframe and the structure in the framework document (as indicated below) as the starting point, we identified the following process for review. The expected outcome of this process is to develop the M and E strategy and system for the Seila 2001 –2005 program, that is to identify gaps in and to operationalise the framework document.

Table 1 Structure of M and framework in document using Seila logframe 2001 -5

Seila 2001 –5 logframe Hierarchy of objectives	Key indicators	MOV Nat. Prov. Comm.	Who collects	Audience	Remarks
Goal Objective Outputs					

Conduct an expanded MOV analysis of the framework. This involves the following steps:

- Include gender mainstreaming indicators prepared by the MOWVA into the key indicator column of the framework.
- Review indicators.
- Determine which MOV relates to which indicator and determine if they are complete.
- Expand the table from the framework document (table 1) in a spreadsheet with the following fields:

Fields of expanded MOV spreadsheet	New or in framework doc
hierarchy of objectives	In framework
key indicators	In framework and reviewed
MOV	In framework and reviewed
identify impact indicators	New
code	New
level	In framework and reviewed
specified MOV	In framework and reviewed
who collects data	In framework and reviewed
data collection method	New



gender disaggregation	New
frequency of data collection	New
responsibility for data collection	New
responsibility for data analysis	New
audience/anticipated users	In framework and reviewed
work to be done/remarks	New

- Identify sector indicators (inclusive of poverty strategy) with Ministries.
- Identify impact indicators and any baseline data to be collected from those in the MOV.
- Review and make changes to the current M and E reporting system and formats in light of the expanded MOV analysis.
- Prepare a workplan and an annual performance target indicator table by year and budget.
- Conduct a workshop with key stakeholders for validation.
- Prepare training materials and curriculum.
- Staff recruitment and training.