Kingdom of Cambodia
Nation Religion King

National Committee for Sub-National Democratic Development

IP3 Extension 2014 of NP-SNDD

2014 NCDD Annual Work Plan and Budget

January 2014

MANAGEMENT STATEMENT

The *Law on Administrative Management of the Capital, Province, Municipality, District and Khan* (June 2008), the election of Councils at all of these sub-national tiers (May 2009), the establishment of the National Program on Sub-National Democratic Development (May 2010) and the approval of the national program's first three-year implementation plan (IP3: 2011-2013, November 2010) represent a clear commitment on the part of the Royal Government of Cambodia to political, administrative and developmental reform at the sub-national level.

Looking back, much was accomplished during 2013. The IP3 financial situation has improved and medium-term funding is now more predictable. Over the 2013-2015 period the combined EU and Sida direct contribution to the basket fund, through their TAPS (Technical and Administrative Provision) is expected to be 20 Million Euro. During this year, the SDC (Swiss Development Corporation) also agreed to participate in the IP3 basket fund. The Royal Government of Cambodia looks forward to working with these new partners, the EU and the SDC, and in continuing the very positive support, advice, and cooperation experienced with Sida.

In terms of capacity, significant progress has been made on developing procedures and guidelines for DMKs, both for Councilors as well as Administrators and Governors. The design of SNA systems is now largely complete. The provision of coaching and mentoring services to SNA Councils continued as did the OD process. An enormous amount of training and capacity developed was implemented by all sub-programs.

In terms of functions, five Ministries completed their functional mapping exercises and are making decisions about which functions to transfer to SNAs, either permanently or on a pilot basis. Much was learned through this rigorous process and at least two pilots are being designed to test the transfer of some rural sanitation and health functions. During this year we completed several studies to clarify the general mandate, which will serve as a basis for developing a regulatory environment which promotes SNAs essential role in poverty reduction.

In terms of finance, legal instruments to operationalize the DM fund were completed, projects were identified by DMs, and implementation of the DM fund will take place during 2014. We believe this will re-energize DMs, will result in the implementation of meaningful development activities, and will demonstrate the capacity and potential of DMs to further contribute to citizen's improved livelihoods.

In terms of enabling SNAs to manage their own personnel, and after tremendous effort, two key instruments were recently adopted: (i) an amendment to the law on the establishment and functioning of the Council of Ministers and (ii) a sub-decree on the delegation of power to SNA for the management, appointment, movement and termination of civil servants working at Sub-national levels. These will legally permit the RCG to delegate powers to SNAs for the management, appointment, movement and termination of civil servants working at Sub-national levels.

In terms of accountability, in July, NCDD approved a *Social Accountability Strategic Plan for Sub-National Democratic Development*. The plan was developed with extensive consultation with NGOs and DPs and will be jointly implemented by government and civil society. We acknowledge the efforts of the World Bank in facilitating this. The plan aims to improve citizens' access to information in terms of sub-national performance and budgets; it develops

processes for citizens to monitor service delivery and expenditure; and it develops interface mechanisms for local governments and communities to agree on a set of actions which will improve service delivery. The plan emphasizes a process of constructive engagement. Key instruments to facilitate citizen monitoring and to provide a core set of information to citizens have reached a very advanced stage of design by the end of the year.

While noting these achievements, implementation remains behind the schedule envisioned in the IP3. In retrospect, while the design of the program remains sound, its timing was overly ambitious. Appraisal and inception processes took longer than expected and many changes envisioned (functional reviews, the development of the SNIF and DM financial management procedures and revisions to the planning process) have involved extensive discussion and debate. To address these issues, we have spent significant time and resources to review implementation and to identify priorities to be implemented during this one year extension period. This document presents the 13 key priorities for 2014, as identified in the IP3 extension document.

The success of the 2014 AWPB depends upon a high level of horizontal and vertical consultation and cooperation within government at all levels. Every effort will be made to ensure these whole-of-government reforms benefit the people of Cambodia for whom they are ultimately designed.

This 2014 AWPB was approved by the NCDD.

Phnom Penh Capital, 05 Feb 2014

Sar Kheng

Deputy Prime Minister, Minister of Interior,
and Chairman of NCDD

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ABBREVIATIONS

ABBREVIATION	DESCRIPTION
ADB	Asian Development Bank
ADB-TS-PRSDP	ADB Tonle Sap Poverty Reduction and Smallholder Development Project
AWPB	Annual Work Plan and Budget
BOG	Board of Governors
CBO	Community-Based Organization
CD	Capacity Development
CDB	Commune Database
CMDG	Cambodian Millennium Development Goals
CPDB	Commune Planning Database
CS	Commune/Sangkat
CSO	Civil Society Organization
DM	District/Municipality
DMK	District/Municipality/Khan
DP	Development Partner
EU-SPACE	EU Program to Support Participation and Civic Engagement
GIZ	German Technical Assistance Agency
HR	Human Resources
IEC	Information, Education, Communication
IFC	International Finance Corporation, a member of the WB group
IP_3	First three-year Implementation Plan of National program
IT	Information Technology
LASED	Land Allocation for Social and Economic Development
LED	Local Economic Development
M&E	Monitoring and Evaluation
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MEF	Ministry of Economy and Finance
MIS	Management Information System
MOI	Ministry of Interior
MOP	Ministry of Planning
MOWA	Ministry of Women's Affairs
NAD	National AWPB Database
NCDD	National Committee for Sub-national Democratic Development
NCDD-S	Secretariat of NCDD
NGO	Non-governmental Organization
NLC/S	National League of Commune/Sangkat Councils
NP	National Program for Sub-national Democratic Development
NRM	Natural Resource Management
OD	Organizational Development
OL	Organic Law
PBA	Program Based Approach
PDoWA	Provincial Department of Women's Affairs
PID	Project Implementation Database
PITO	Provincial IT Officer
POC	Priority Operating Costs (scheme)

ABBREVIATION	DESCRIPTION
RGC	Royal Government of Cambodia
SAF	Social Accountability Framework
SIDA	Swedish International Development Agency
SNA	Sub-national Administrations
UNDP-SNC	UNDP-Scaling-up Climate Change into Sub-national Planning and Budgeting Process
SNDD	Sub-national Democratic Development
SNIF	Sub-national Investment Facility
TA	Technical Assistance
TWG	Technical Working Group
UN family	United Nations Agencies
UNCDF-LGCC	UNCDF-Local Governance and Climate Change Project
UNDP-ACES	UNDP-Association of Councils Enhanced Services Project
WB	World Bank
WG	Working Group

OVERVIEW / INTRODUCTION

In the middle of 2013, the NCDD and its development partners agreed to extend the IP3 for an additional year, to the end of 2014. This will enable the completion of several key outputs defined in the IP3 design document and will provide additional time for the formulation of the second phase implementation of the National Program on Sub-National Democratic Development. The IP3 Extension Document, which was formulated in the second half of 2013 and approved by the NCDD on 04 December 2013, identifies strategic priorities for 2014. Those priorities are clearly reflected and resourced in this AWPB.

The 2014 NCDD AWPB describes the expected priorities, outputs,[1] activities and budget planned for the fourth year of national program implementation. It establishes a framework for semi-annual and annual reporting during 2014. In coordinating the preparation of the AWPB, NCDD has taken into account the IP3 Extension Document, implementation issues arising during 2013 and findings and recommendations from the IP3 Mid-Term Review (MTR), carried out in September 2012. Numerous consultations were held during the fourth quarter 2013 with national and subnational authorities, individual project authorities, and development partners to agree on strategic priorities and expected outputs, clarify indicative resources and budget allocations, and to discuss the first draft of the 2014 AWPB. A revised second draft was presented for final review at the National Workshop on the Formulation of the 2014 NCDD AWPB convened on the 19th and 20th of December 2013 and bringing together senior officials from concerned Ministries, Council Chiefs and Governors from 24 PCs and selected DMs, Directors of relevant Provincial/Capital line Departments, development partners and NGO representatives.

Chapters 1-6 of this document describe each SP (sub-program). The detailed list of activities, schedules and budgets will be available for download at the NCDD website.

Priorities for 2014

In his closing speech at the National Workshop on the formulation of the 2014 IP3 AWPB, H.E. Sar Kheng, Deputy Prime Minister, Minister of Interior and NCDD Chairman, outlined 13 key priorities identified in the IP3 Extension Document. Each priority contains several specific targets and milestones. They are as follows:

1. **Performance Management Practices developed, strengthened and in place (output 1.8).**
   - Q1 A review of the NCDD role in terms of managing performance, interacting with the highest government authorities on strategic policy issues, activating NCDD Sub-Committees and ensuring implementation of decisions undertaken will be completed
   - Q4 Quarterly Implementation Agency coordination meetings will be held in 2014 with clear agendas, agreements, targets and time bound action plans on implementing agreements.
   - Q4 In at least 2 NCDD meetings, progress to meeting all priority targets will be transparently discussed and actions will be agreed upon to address targets which are behind schedule

[1] The full plan contains an expanded list of outputs and activities, is monitored in the NAD (National AWPB Database) and is agreed upon in signed implementation agreements between NCDDS, central implementers, and PCs.

2. **District/Municipal Fund implemented** (output 4.7). In 2014, a full cycle of the DM Fund will be implemented; development project contracts will be procured and finances will be managed according to established Sub-decrees and Prakas.

   Q1 Financial training will be delivered to all DMs

   Q3 Systems and procedures will be monitored and evaluated

   Q4 Necessary revisions to guidelines will be completed and introduced to DMs

   Q4 80% of the development component of the 2014 DM Fund will have been disbursed by DMs.

3. **SNA Own Source Revenue** (based on the 2013 study on SNA Own Source Revenue; output 4.3)

   Q2 A policy paper on own source revenues will be completed and approved

   Q2 Performance targets for the indicator "own source revenues/total SNA budgets" will be agreed upon for the period 2015-8 for each level and type of SNA (as part of the policy)

   Q3 A pilot will be designed in a sub-set of DMK on own source revenue generation and management

   Q4 The pilot will be evaluated with a view towards expansion in 2015

4. **Functions (outputs 1.2 and 1.3)**

   Q2 Guidelines on the General Mandate/Permissive Functions will be developed and approved

   Q2 The functional reassignment process and regulatory instruments will be critically reviewed as an input into the next phase of the NP

   Q2 SMART Performance targets for functional reassignment for the period 2015-8 will be agreed upon

   Q3 At least two functional reassignment pilots (on health and rural sanitation) will be implemented and evaluated

   Q4 Action plans resulting from these pilots will be designed for 2015

5. **Social Accountability (output 1.5)**

   Q1 Field testing of I4Cs and citizens scorecards will be completed

   Q2 Operations manuals/guidelines will be completed

   Q4 All communes in 20 Districts will have posted information to the public, will have participated in citizen monitoring exercises, and will have developed social accountability action plans to improve service delivery

6. **SNA HR Statute (output 3.1)**

   Q1 A Statute on SNA Personnel Management will be finalized and adopted

   Q2 Mechanisms to support implementation of the Statute will be fully developed including dissemination and training

   Q4 Management information systems which will be rolled out

7. **Strategy for Strengthening Power of Councils viz Administration in the second DM Mandate (output 1.13).**

   Q2 A review of decision making processes of SNAs, the methodology of SNA coaching and the introduction of the draft DM Charter will be completed

   Q2 A strategy will be designed and approved focused on empowering SNA Councils during the second mandate

   Q4 Activities identified in the strategy will be implemented

8. **Planning/Budgeting Systems for different types of SNAs (output 5.1).**

   Q1 The draft Policy on SNA Planning will be reviewed and approved by the NCDD

   Q2 A study will be completed to ensure a better linkage between planning and budgeting and will include: a review of the current planning/budgeting guidelines at SNA level, the preparation of a coherent SNA planning/budgeting calendar and the preparation of revised guidelines on planning and budgeting for different types of SNAs.

   Q3 All revised guidelines will be completed

   Q3 Training courses on the revised guidelines will be implemented

9. **Compliance: Supervision/Inspection System (output 2.7).**

   Q2 A Supervision/Inspection System on SNA compliance with regulations will have been designed.

   Q3 The system will be implemented on a pilot basis in a subset of SNAs

   Q4 An inspection system will be evaluated and an implementation plan for 2015 will be completed

10. **Strategy for Strengthening the Capacity of the DM Administrations (outputs 1.4, 1.7, and 2.4).**

    Q1 Program funds will be provided to DMs to enable contract staff to be recruited where needed and to support specific strategic activities not covered by DM administration budgets

    Q2 The DM Operations Manual will be completed and will be introduced through training programs to all DMs

    Q2 The SNA Capacity Development Strategy will be reviewed as part of the design process for the next phase of the National Program

11. **SNA Council Associations (output 6.1, 6.2).** In 2013 the Association of Provincial and Capital Councils was officially established and Provincial Associations of Municipal/District/Khan and Commune/ Sangkat Councils were established in 11 provinces.

    Q1 11 Provincial Associations of DMK/CS Council Associations will be integrated into a National League for DMK/CS Councils.

    Q2 Provincial Associations of DMK/CS Councils will be established in the remaining 13 provinces and effectively integrated into the National League

Q2 The Secretariat, to support both Associations, will be restructured with specific TORs

12. Gender and Women's Empowerment (output 1.14)

Q2 Based on the results of the Gender Audit to be completed by January 2014, the AWPB for 2014 will be revised to include specific activities to be undertaken by each Implementing Agency including guidelines for SNAs on gender related issues

Q2 The Gender Audit will be fed into the design of the next phase of the national program including revisions or the rewriting of the Gender Mainstreaming Strategy

13. Design of Next Phase of National Program Implementation (output 1.7)

Q1 By January 2014, the TOR for the design of the next phase of the NP-SNDD will be finalized and agreed with DPs. The TOR will cover the process and scope of the design, indicate the external consultants to be recruited and studies to be undertaken, identify the strategic reviews and evaluations already planned which feed into the design, and establish a schedule for completion

Q2 First draft completed (May 2014)

Q3 Appraisal completed (July 2014)

Q3 Final document completed (September 2014)

The 2014 AWPB budget

PLANNED EXPENDITURES

2014 AWPB planned expenditures, financed through the basket fund, are budgeted at $13,586,629. This is an increase of 28% over 2013. Including the IP3 extension and over the program's four years of implementation, planned expenditures reached $59.21 Million as opposed to a figure of $68.84 Million, as found in the IP3 document (i.e. 14% less than expected). Though operating at a somewhat reduced level and over a longer period of time, resources are considered adequate to produce most of the outputs identified in the IP3.

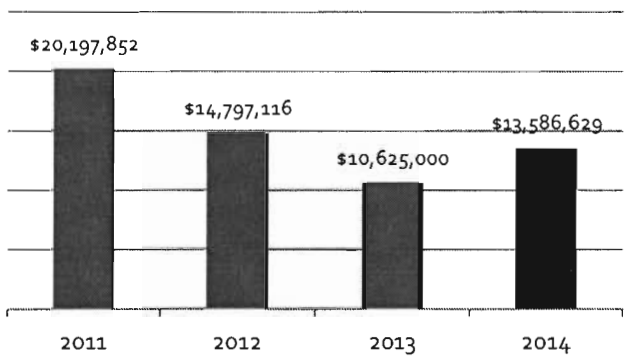

Figure 1: Basket fund trends

Excluding in-kind activities, IP3-related expenditures fall into three categories; (i) basket funded, core reform activities; (ii) related projects and earmarked funds, and (iii) fiscal transfers. An overview of these expenditures, by sub-program is provided below.

Table 1: Overview of Planned 2014 Expenditures

SP	A. Basket	% Basket	B. Earmarked	C. Fiscal Transfers	Total (A+B+C)	% Total
Sub-Program 1	$4,835,299	35.59%	$17,862,525	$0	**$22,697,824**	8.22%
Sub-Program 2	$575,494	4.24%	$4,740,820	$0	**$5,316,314**	1.93%
Sub-Program 3	$356,820	2.63%	$0	$0	**$356,820**	0.13%
Sub-Program 4	$175,357	1.29%	$5,004,044	$233,863,704	**$239,043,105**	86.59%
– Reform Activities	$175,357		$1,004,044	$0	**$1,179,401**	0.43%
– Fiscal Transfers	$0		$4,000,000	$233,863,704	**$237,863,704**	86.16%
Sub-Program 5	$45,490	0.33%	$139,000	$0	**$184,490**	0.07%
Sub-Program 6	$120,520	0.89%	$389,682	$0	**$510,202**	0.18%
SNAs (PC/DMK expenditures)	$7,477,649	55.04%	$491,328	$0	**$7,968,978**	2.89%
Total	**$13,586,629**	**100.00%**	**$28,627,399**	**$233,863,704**	**$276,077,733**	100.00%
%	4.92%		10.37%	84.71%	100.00%	

NOTE: ALL CALCULATIONS EXCLUDE IN KIND ACTIVITIES. FISCAL TRANFERS ARE FINANCED BOTH BY THE RGC AND SIDA. SP1 EARMARKED FUNDS INCLUDE A $125,000 CONTRIBUTION BY THE RGC TO NCDDS.

As can be seen above, earmarked expenditures remain 2.1 times as large as discretionary basket funded expenditures. Within the basket, about 55% of all funding goes to SNAs. Data for fiscal transfers is provided in table 2.

Table 2: Expected Fiscal Transfers 2014

Fund	Sida	RGC	Total
CS Fund	$0	$58,584,198	$58,584,198
DM Fund	$4,000,000	$17,047,901	$21,047,901
CP Budget	$0	$158,231,605	$158,231,605
Total	**$4,000,000**	**$233,863,704**	**$237,863,704**

SOURCES OF FUNDS

The Royal Government of Cambodia will contribute a total of $233,988,704, consisting of fiscal transfers of $233,863,704 (see table 2) plus an additional $125,000 to NCDDS.[2] Overall, the RGC's contribution comprises 82.6% of available funding.

DP sources consist of basket funded discretionary spending, earmarked funds (i.e. projects), in-kind contributions, and fiscal transfers. Funding sources are detailed below.

[2] This is considered earmarked in Table 1.

Table 3: 2014 AWPB funding sources

Source	A. NCDD Discretionary	B. NCDD Earmarked	C. NCDD Total (A+B)	In-Kind	D. SNA Transfer	Total (C+D)	%
A. RGC	$0	$125,000	$125,000	$0	$233,863,704	$233,988,704	82.69%
B. DPs							
Sweden/Sida	$4,500,000		$4,500,000		$4,000,000	$8,500,000	3.00%
EU	$7,000,000		$7,000,000			$7,000,000	2.47%
Swiss/ SDC	$2,600,000		$2,600,000			$2,600,000	0.92%
ADB/PPTA (1)			$0	$850,000		$850,000	0.30%
ADB/DPSFM (1)		$5,850,000	$5,850,000			$5,850,000	2.07%
ADB/TS-PRSDP		$895,142	$895,142		$14,029,062	$14,924,204	5.27%
EU-SPACE			$0	$1,600,000		$1,600,000	0.57%
AUSAID-UNCDF		$500,000	$500,000			$500,000	0.18%
JICA/ PILAC2			$0	$100,000		$100,000	0.04%
UNDP/SNC Scale-up		$800,000	$800,000			$800,000	0.28%
UNDP/ACES		$1,234,349	$1,234,349			$1,234,349	0.44%
UNICEF/Seth Koma		$1,485,415	$1,485,415	$902,744	$481,284	$2,869,443	1.01%
UNCDF/LGCC2		$73,120	$73,120		$204,800	$277,920	0.10%
UN/Women		$34,000	$34,000			$34,000	0.01%
UNFPA		$300,000	$300,000			$300,000	0.11%
WB-OWSO		$498,227	$498,227			$498,227	0.18%
WB-LASED		$1,056,402	$1,056,402			$1,056,402	0.37%
Sub-Total	**$14,100,000**	**$12,726,654**	**$26,826,654**	**$3,452,744**	**$18,715,146**	**$48,994,544**	**17.31%**
%	29%	26%	55%	7%	38%	100%	
C. TOTAL (A+B)	$14,100,000	$12,851,654	$26,951,654	$3,452,744	$252,578,850	$282,983,248	100%
%	5%	5%	10%	1%	89%	100%	

NOTES: (1) ADB FUNDS ARE MANAGED THROUGH SEPARATE ACCOUNTS WITH SP-1, SP-2 AND SP-4

BALANCE

Within the basket, budgeted expenditures total $13,586,629, while sources of funds total $14,100,000. This leaves a balance of $513,371 to be used as a contingency.

Technical Assistance

In 2014, there will be a reduction in international and national advisors at national and provincial/capital level and an increase in contract staff at the District/Municipal level. While the total number of staff remains high, the distinction between advisors and contract staff is important. Advisors are hired by the NCDDS at salaries that are competitive with international organizations to: (i) develop capacity and (ii) perform a range of tasks that arise from an externally funded program. Contract staff members are hired primarily by SNAs at salaries within the range of civil service salaries and to fill certain gaps in their existing capacity that are important to ensure performance. Given the freeze on civil service recruitment and the gaps in DM staffing, enabling SNAs to contract staff (similar to what is done in other sectors) is the only option available to the NCDDS. It is hoped that many of these contract staff will be recruited as civil servants when openings arise. Given this distinction, in 2014 there will only be 2.5 International Advisors and 94 PC National Advisors which is by far the lowest level of TA support in the past 15 years for a program that has grown considerably larger in scale and complexity. In addition there is one advisor for each DM (i.e. a total 185). Overall, 998 staff will be employed at a budget of $ 5.9 million. The NCDDS will fully review TA and contract staff during the formulation of the next phase; in doing so, workloads will be considered in light of the tasks involved in implementing a national program that includes many components and in supporting the many stand-alone DP projects still being implemented. Staffing data is summarized below.

Table 4: Technical Assistance and Contract Staff

Category	NUMBER OF STAFF						SALARIES					
	International TA	National TA	Contract Staff	Support Staff	Row Total	Row %	International TA	National TA	Contract Staff	Support Staff	Row Total	Row %
SP-1	3.00	17.00	43.00	27.00	90.00	9.02%	$483,363	$455,040	$360,840	$79,920	$1,379,163	23.39%
SP-2	0.00	7.00	5.00	5.00	17.00	1.70%	$0	$155,834	$37,440	$14,400	$207,674	3.52%
SP-3	0.00	1.00	0.00	1.00	2.00	0.20%	$0	$27,060	$0	$3,360	$30,420	0.52%
SP-4	0.00	1.00	1.00	3.00	5.00	0.50%	$0	$27,060	$4,140	$10,080	$41,280	0.70%
SP-5	0.00	0.00	0.00	0.00	0.00	0.00%	$0	$0	$0	$0	$0	0.00%
SP-6	0.00	1.00	4.00	1.00	6.00	0.60%	$0	$18,960	$36,000	$3,360	$58,320	0.99%
PC	0.00	94.00	56.00	118.00	268.00	26.85%	$0	$1,713,120	$355,200	$254,880	$2,323,200	39.40%
DMK	0.00	185.00	425.00	0.00	610.00	61.12%	$0	$865,800	$990,000	$0	$1,855,800	31.48%
Total	3.00	306.00	534.00	155.00	998.00	100.00%	$483,363	$3,262,874	$1,783,620	$366,000	$5,895,857	100.00%
Column %	**0.30%**	**30.66%**	**53.51%**	**15.53%**	**100%**		**8.20%**	**55.34%**	**30.25%**	**6.21%**	**100%**	

NOTE: International TA is for 30 months and some OWSO staff will also work 10 months

CHAPTER 1. POLICY DEVELOPMENT AND PROGRAM COORDINATION (SP1)

1.1.Overview

Sub-Program 1 (SP1, implemented by NCDDS) strengthens government-wide consensus on D&D and develops the fiscal and sector decentralization policies required to implement the Organic Law and advance democratic development. It also promotes sector reforms (through functional reassignment), develops council deliberation systems, coaches and mentors councilors, monitors, evaluates, and mainstreams gender. SP1 outcomes are outlined adjacently.

Figure 2: SP1 Expected IP3 Outcomes

- Councilors are more aware and knowledgeable [1.1,1.4, 1.12, 1.13]
- Councilors perform their jobs better; Councilors make more informed and better decisions [1.1, 1.5, 1.9, 1.12, 1.13]
- Citizen priorities (including those of vulnerable groups) are better reflected in Council decisions, plans, budgets and implementation [1.1,1.5]
- Women empowered; women's potential realized; vulnerable groups are better supported, promoted and protected by SNAs (inequality is reduced) [1.1, 1.5, 1.14]
- SNAs are better governed (more transparent, engage better, more accountable, less corrupt, etc.); council operations improve [1.1, 1.4, 1.5, 1.9, 1.14]
- SNAs are more innovative and autonomous [1.1-1.3]
- Service delivery functions assigned or transferred to SNAs are more efficiently and effectively implemented than under central government [1.1, 1.2]
- SNAs improve their service delivery (because they are better managed and governed) [1.15, 1.16, All]

NOTE: outputs contributing directly to each outcome are listed in brackets. A single output may contribute towards multiple outcomes. All outputs contribute to the strengthening of NCDDS capacity. Outcomes cover the IP3 period.

1.2. SP1 Outputs

Output 1.1: Ten policy and regulatory instruments developed by other sub-programs coordinated by NCDDS and reviewed for their impact on gender. This will ensure consistency with the Organic Law and D&D policy.[3] In preparation for the next phase of the National Program, policy development processes (including the degree to which policies are effectively gender mainstreamed) will be extensively reviewed and revised.

Output 1.2: Functions transferred on either a pilot or permanent basis. By the end of 2014 functional mapping (and other analysis) as well as functional reviews will be completed in the 5 participating Ministries; by the end of 2014 all 5 are expected to have made concrete decisions as to which functions to transfer. At least two pilots (one in health, one in rural sanitation) are expected to be designed and to commence implementation during 2014. In preparation for the

[3] The instruments to coordinate are: the SNIF, Conditional Transfer mechanisms, own source revenue, compliance inspection, the SNA HR regulations, gender responsive budgeting, council by-law creation, NCDD amendments, and the development of planning and budgeting systems.

next phase of the National Program, and based on an input from EU SPACE, functional reassignment processes will be extensively reviewed and revised.

Output 1.3: Permissive (general mandate) functions defined and their implementation piloted using conditional grants and existing sources of finance. During 2014, NCDDS will develop and approve a regulatory environment for the general mandate identifying key permissive functions, describing how SNAs can be encouraged to take more initiative within the general mandate, and allocating, where applicable, service delivery, administrative, monitoring and support functions between different levels of SNAs. Processes and regulations for contractual relationships between central government and SNAs and between different levels of SNAs will also be designed. CD interventions to promote SNAs taking more initiative in terms of their general mandate will be implemented as well as pilots testing various functions using contractual (partnership) arrangements. It is expected many of these functions will focus on social services.[4] For the longer run, sources to finance the general mandate, in addition to the DM and CS Funds themselves, will be explored with DPs and NGOs.

Output 1.4: CD initiatives coordinated and promoted. CD activities are within many outputs of the IP3 (for example, wherever new systems or regulations are designed and introduced). In addition, PCs will developed targeted/demand driven training based on local needs. To gain more focus in 2014 and to prepare for the next phase of the National Program, the CD strategy and framework will be reviewed and revised in the first quarter of the year, including the degree to which the different capacity needs of men and women have been addressed.

Output 1.5: Social Accountability Action Plan implemented. The field testing of the SAF will be completed by first quarter of 2014 and the finalization of necessary regulations, instruments, and an Operations Manual will be completed by second quarter. By the end of 2014, all communes in 20 Districts will have posted information to the public, will have participated in citizen monitoring exercises, and will have developed social accountability action plans to improve service delivery. As described in the Social Accountability Strategic Plan all these activities will empower citizens and local communities, particularly women, youth, and disadvantaged groups.

Output 1.6: IP3 administration and financial management procedures implemented. This includes recruitment of new NCDDS staff as well as many of the overall management functions undertaken by NCDDS, including development of the AWPB and implementation agreements; organizing and backstopping technical assistance, financial management, administration, and internal audit.

Output 1.7: Next phase of the National Program developed. By January 2014, the TOR for the design of the next phase of the NP-SNDD will be finalized and agreed with DPs. The TOR will cover the process and scope of the design, indicate the external consultants to be recruited and studies to be undertaken, identify those strategic reviews and evaluations already planned which feed into the design and establish a schedule for completion of the first draft (May 2014), appraisal (July 2014) and approval of the design document (September 2014). The next phase will include a revised results framework and gender mainstreaming strategy.

Output 1.8 Performance management processes and systems strengthened and implemented. With a view towards strengthening performance management practices, by

[4] The impact of different services, infrastructure and social, on women and the poor is not fully known, but is expected social services will have a significant impact on women.

March 2014 a review of the NCDD role in terms of managing performance, interacting with the highest government authorities on strategic policy issues, activating NCDD Sub-Committees and ensuring implementation of decisions undertaken will be completed. The NCDDS will ensure that quarterly Implementation Agency coordination meetings will be held in 2014 with clear agendas, agreements, targets and time bound action plans on implementing agreements.

Output 1.9: M&E systems developed and IP3 monitored and evaluated. During 2014 the governance survey and capacity assessment reports will be prepared; these will measure changes from 2011 baselines. A DM M&E system will be finalized and rolled out to select DMs, sub programs will be facilitated to develop M&E strategies and action plans, and impact evaluations (looking at poverty/ livelihoods, including impacts on women) will be completed.

Output 1.10: IT systems and IT capacity strengthened. During 2014 the NAD (National AWPB Database), which is used to monitor IP3 implementation, will be used by several projects (including LASED, One Window Service, TS-PRSDP, ACES, UNFPA, LGCC, and SNC Scale-up). Work on warehousing and standardizing indicators found in 8 systems currently in use (PID, CDB, DIS, etc.) will be undertaken. Systems will be reviewed as an input into the next phase of the National Program.

Output 1.11: IP3 Information, Education and Communication (IEC) campaigns implemented. Television, radio, print and other media will be used to inform both public servants and citizens (accounting for gender differences in demand for information) about local government reform efforts. The possibility of using social marketing techniques will be explored.

Output 1.12: Council organizational and individual capacities strengthened. This will complete and rollout council operational procedures (including technical documents on civic engagement, intra and inter government relations, and regional economic development, all in collaboration with EU SPACE) and by implementing the council coaching and mentoring system. As an input into the next phase of the National Program, the coaching and mentoring processes will be reviewed and revised including constraints encountered in recruiting female coaches and the degree to which mentoring addressed the special needs of women.

Output 1.13: Strategy completed for strengthening the power of Councils viz Administration in the second DM Mandate. An optimal division of responsibilities (checks and balances) between SNA's legislative branch (councils) and SNA's executive branch (the BOG) will be developed. The output will review decision making processes and regulations of SNAs. By the second quarter of 2014, concurrent with the design of the next phase of implementation, a strategy will be designed and approved focused on empowering SNA Councils during the second mandate while specific activities identified in the strategy will be implemented during the remainder of the year. DM Charters will be approved and introduced gradually with support from council facilitators.

Output 1.14: Gender mainstreamed in national and sub-national policies, legal instruments, manuals, guidelines, training material and activities and GM capacities strengthened at national and sub-national level. This will involve reviewing regulatory instruments, integrating gender into all IP3 activities and putting into place a legal framework to ensure gender is mainstreamed at SNA level. CEDAW will be implemented and women's' rights strengthened. Based on the results of the Gender Audit to be completed and discussed

by January 2014, a work plan for 2014 will be prepared with specific activities to be undertaken by each Implementing Agency including guidelines for SNAs on gender related issues. The Gender Audit will also feed into the design of the next phase of the national program.

Output 1.15: CS Social service delivery processes and financing strengthened. UNICEF will continue working[5] with CSs to promote social service delivery (for example, pre-primary education and support to the poor).

Output 1.16: Climate change resiliency strengthened in SNAs. To improve the adaptation to climate change by local government, the UNCDF-LGCC project designs and implements small pilots[6] within CS investment programs. LGCC will

- Integrate cross-sector, evidence-based strategies building climate change resilience in sub-national plans and investment programs in 2 Provinces, 7 Districts and at least 30 CSs
- Contribute finances/support sub-projects executed through the sub-national public expenditure management systems in 10 DMs and at least 20 CSs in two budget cycles
- Develop a regulatory environment to promote climate change adaptation

In addition to this, climate change will be scaled up into sub-national planning and budgeting process using funding from SNC.

Output 1.17: LASED (Land Allocation for Social and Economic Development) Implemented

Output 1.18: TSPRSDP (Tonle Sap Poverty Reduction and Smallholder Development Project) implemented

Output 1.19: Sub-Program 1 managed effectively and efficiently. Program funds will be provided to DMs in the first quarter of 2014 to enable contract staff to be recruited where needed and to support specific strategic activities not covered by DM administration budgets.

1.3.SP1 Budget

The 2014 AWPB budget for SP1, excluding SNA planned expenditures, is as follows

Table 5: SP1 budget by output

CODE	OUTPUTS	BASKET	OTHER	TOTAL	SOURCE
1.1	Ten policy and regulatory instruments developed by other sub-programs coordinated by NCDDS and reviewed for their impact on gender	$164,800	$0	$164,800	Basket
1.2	Functions transferred on either a pilot or permanent basis	$160,000	$0	$160,000	Basket, EU-SPACE in kind

[5] UNICEF support is provided to 347 CSs. The social services provided are often tailored to the needs of women and children.
[6] Typical projects include roads, irrigation, canals, reservoirs/ponds, cropping and sanitation.

CODE	OUTPUTS	BASKET	OTHER	TOTAL	SOURCE
1.3	Permissive (general mandate) functions defined and their implementation piloted using conditional grants and existing sources of finance	$5,000	$500,000	$505,000	Basket, AUSAID, EU-SPACE in kind
1.4	CD initiatives coordinated and promoted	$93,800	$0	$93,800	Basket
1.5	Social Accountability Action Plan implemented	$120,000	$0	$120,000	Basket
1.6	IP3 administration and financial management procedures implemented	$417,850	$0	$417,850	Basket
1.7	Next phase of the National Program developed	$250,000	$0	$250,000	Basket
1.8	Performance management processes and systems strengthened and implemented	$0	$0	$0	Basket
1.9	M&E systems developed and IP3 monitored and evaluated.	$202,960	$0	$202,960	Basket
1.10	IT systems and IT capacity strengthened.	$79,900	$0	$79,900	Basket
1.11	IP3 Information, Education and Communication (IEC) campaigns implemented	$67,790	$0	$67,790	Basket
1.12	Council organizational and individual capacities strengthened.	$125,000	$0	$125,000	Basket, EU-SPACE in kind
1.13	Strategy completed for strengthening the power of Councils viz Administration in the second DM Mandate	$0	$0	$0	Basket, EU- SPACE in kind
1.14	Gender mainstreamed in national and sub-national policies, legal instruments, manuals, guidelines, training material and activities and GM capacities strengthened at national and sub-national level	$49,036	$34,000	$83,036	Basket, UN Women
1.15	CS Social service delivery processes and financing strengthened.	$0	$145,000	$145,000	UNICEF
1.16	Climate change resiliency strengthened in SNAs	$0	$1,077,920	$1,077,920	LGCCII, SC
1.17	LASED implemented	$0	$1,056,402	$1,056,402	LASED
1.18	TS-PRSDP implemented	$0	$14,924,204	$14,924,204	TS-PRSDP
1.19	SP1 managed efficiently and effectively	$3,099,163	$125,000	$3,224,163	Basket, RGC
TOTAL BUDGET		**$4,835,299**	**$17,862,525**	**$22,697,824**	

CHAPTER 2. STAFFING, CAPACITY DEVELOPMENT, AND DM FACILITIES (SP2)

2.1. Introduction

SP2 aims to develop the operating systems and capacities of SNA executive bodies (Board of Governors and administrative offices) so that they can (i) perform their duties in an effective and accountable manner and (ii) gradually accept responsibility for oversight and implementation of the national functions reassigned to them. SP2 is implemented by MOI; its expected outcomes are outlined adjacently.

Figure 3: SP2 Expected IP3 Outcomes

- BOG and SNA administrative staff are more aware and knowledgeable [2.2 to 2.5]
- BOG and SNA administrative staff perform their jobs better [2.2 to 2.6]
- SNAs better comply with rules and regulations [2.6]
- SNAs are better managed and administered (covering all functions excluding financial management and council operations)[2.2 to 2.6]
- SNAs are better governed (more transparent, engage better, more accountable, less corrupt, etc.)[2.2 to 2.6]
- SNAs improve their service delivery (because they are better managed and governed and because their individual staff have greater administrative capacity)(all)

NOTE: outputs contributing directly to each outcome are listed in brackets. A single output may contribute towards multiple outcomes. Outcomes cover the IP3 period.

2.2. SP2 Outputs

Output 2.1: GDLA and SNA restructuring completed. For GDLA, once structures are approved the exercise will create reporting and accountability arrangements, job lists, positions, and revised job responsibilities. Routine SNA restructuring will also be implemented.

Output 2.2: Manual on PC project preparation developed and implemented. In collaboration with Sub-program 5, this includes a review of existing processes, preparation of the manual, and training.

Output 2.3: Revised PC and DMK reporting formats developed and rolled out.

Output 2.4: District operational procedures, covering administration, HR management, and project implementation developed and rolled out. The DM Operations Manual will be completed by early in the second quarter and will be introduced through training programs to all DMs. The manual will cover all major functions under each DM office.[7]

Output 2.5: New Human Resource Management processes created under SP3 rolled out. This includes training on sub-decrees issued by SP3 (in HR management) as well as

[7] Existing drafts cover CS Support, Citizen Engagement, by-law and decisions, meetings, general administration, office management, personnel and financial management, project preparation and technical clearance, procurement and contract management, and monitoring and evaluation of projects and procurement.

training to implement individual performance appraisal processes. Appraisal processes will be implemented by all SNAs during 2014.

Output 2.6: OD (Organizational Development) process implemented. OD is currently implemented in all DMKs (including OD assessments and formulating OD plans). During 2014, OD results will be evaluated, the OD process will be implemented by both DMKs and PCs, and resources will be provided to SNAs to implement their OD plans.

Output 2.7: Compliance inspection process developed and implemented in 12 pilot SNAs. During the first half of 2014 a compliance inspection process and its institutional arrangements will be developed and documented. Inspections will cover PCs, DMKs and CSs. The design will include identifying the relevant evidence required to make an impartial assessment, identifying the scope and legal instruments to inspect, development of all procedures, and creating a data entry and scoring system. Inspectors from MOI, and perhaps PCs, will be trained. Pilot inspections will be carried out during the third quarter, and the process will be evaluated and revised for 2015.

Output 2.8: Local conflict resolution mechanism reviewed, revised and implemented as part of the work of the Provincial Accountability Working Group

2.9 Routine monitoring of SNA management and performance undertaken and results publically disseminated. This includes, amongst others, a workshop to disseminate the results of the evaluation of PC and DMK management

Output 2.10: Social service delivery enhanced through strengthening capacity of WCCCs at Provinces, DMs, and CCWCs (UNFPA). Technical and Financial support will be provided to target WCCCs (7 PCs $3,500, 48 DMKs $ 24,240) and 346 CCWCs ($173,520) in promoting interventions related key population, sexual reproductive health including family planning and gender issues. Additional activities include training of provincial and district officials and routine monitoring of performance.

Output 2.11: Social service delivery at SNAs strengthened (UNICEF). UNICEF, together with DOLA, will strengthen: (i) planning, (ii) disaster management, (iii) civic registration, (iv) social service delivery, and (v) the capacity of commune disability focal points. It will develop innovative programs for the urban poor living in Phnom Penh

Output 2.12: 40 District Offices constructed. Facilities at PC level are reasonably well developed, while those in DMKs require significantly more work. With ADB support, a project to upgrade District and Commune offices was designed (including a feasibility study, priority lists, preliminary designs and budgets to construct, repair, and equip).[8] The budget for 2014 is $ 3.5 million.

Output 2.13: Strengthen and support One Window Service Offices (OWSOs) and District Offices (DO) in 37 targeted DMKs. Work will include: (i) continuing the 2013 construction of OWSO and DO buildings in 4 Khan (Prampi Makara, Roseikeo, Meanchey and Dongko); (ii) covering operational and salary costs of all offices, and (iii) implementing citizen participation and outreach activities.

[8] During 2012 the state of these offices was assessed. Construction of CS offices is covered by the RGC.

Output 2.14: SP2 managed efficiently and effectively. In addition to staffing and operations for SP3, this output includes operational expenses of OWSOs and the routine monitoring and follow up of SNA development plans, projects, and budgets.

2.3.SP2 Budget

The 2014 AWPB budget for SP2, excluding SNAs, is as follows:

Table 6: SP2 budget by output

CODE	OUTPUTS	BASKET	OTHER	TOTAL	SOURCE
2.1	GDLA and SNA restructuring completed	$4,500	$0	$4,500	Basket
2.2	Manual on PC project preparation developed and implemented	$38,580	$0	$38,580	Basket
2.3	Revised PC and DMK reporting formats developed and rolled out	$6,350	$0	$6,350	Basket
2.4	District operational procedures, covering administration, HR management, and project implementation developed and rolled out	$36,300	$0	$36,300	Basket, EU SPACE in kind
2.5	New Human Resource Management processes developed under SP3 rolled out	$15,200	$0	$15,200	Basket
2.6	OD (Organizational Development) process implemented	$46,800	$0	$46,800	Basket
2.7	Compliance inspection process developed and implemented in 12 pilot SNAs	$62,460	$0	$62,460	Basket
2.8	Local conflict resolution mechanism reviewed, revised and implemented as part of the work of the Provincial Accountability Working Group	$9,350	$0	$9,350	Basket
2.9	Routine monitoring of SNA management and performance undertaken with results disseminated publically	$45,980	$0	$45,980	Basket
2.10	Social service delivery and WCCCs strengthened at PCs, DMKs, and CSs (UNFPA)	$0	$74,632	$74,632	UNFPA
2.11	Social service delivery at SNAs strengthened (UNICEF)	$0	$74,000	$74,000	UNICEF
2.12	40 District Offices constructed	$0	$3,500,000	$3,500,000	ADB
2.13	Strengthen and support One Window Service Offices (OWSOs) and District Offices (DO) in 37 targeted DMKs	$0	$1,066,928	$1,066,928	WB, RGC
2.14	SP2 managed efficiently and effectively	$309,974	$25,260	$335,234	WB, Basket
TOTAL		**$575,494**	**$4,740,820**	**$5,316,314**	

CHAPTER 3. MANAGEMENT OF SNA HUMAN RESOURCES (SP3)

3.1. Introduction

Sub-Program 3 enables SNAs to manage their personnel in accordance with clear rules and within the overall civil service administrative framework. SP3 outcomes are outlined adjacently while its 3 outputs are described below.

Figure 4: SP3 Expected Ip3 Outcomes

- SNAs improve their HR management (including the recruitment and management of female staff)[3.1-3.3]
- HR management functions (recruitment, disciplinary action, etc.) assigned or transferred to SNAs are more efficiently and effectively implemented than under central government [3.1-3.3]
- SNAs improve their service delivery (because HR functions and staff have been decentralized to them)[3.1-3.3]

NOTE: Outcomes cover the IP3 period.

3.2. SP3 Outputs

Output 3.1: Finalize a legal framework for SNA decentralized HR management and HR development. This will include finalizing the *SNA Civil Service Statute* and Developing all relevant Sub-decrees and Prakas to implement the SNA Civil Service statute and HR Management and Development Policy

Output 3.2: Develop and use an HR Database covering all SNA staff. During the first half of 2014 the database will be developed; following this SNA personnel managers will be trained on the HR database and all data will be collected

Output 3.3 Rollout the HR Management (HRM) and HR Development (HRD) System. While training is under SP2, SP3 will develop an HRM and HRD manual

Output 3.4: SP3 managed efficiently and effectively

3.3. SP3 Budget

The 2014 AWPB budget for SP3, excluding SNAs, is as follows

Table 7: SP3budget by output

CODE	OUTPUTS	BASKET	OTHER	TOTAL	SOURCE
3.1	Finalize a legal framework for SNA decentralized HR management and HR development	$35,000	$0	$35,000	Basket, EU SPACE in kind
3.2	Develop and use an HR Database covering all SNA staff	$165,000	$0	$165,000	Basket
3.3	Rollout the HR Management (HRM) and HR Development (HRD) System	$88,000	$0	$88,000	Basket, EU SPACE in kind
3.4	Sub-Program 3 managed efficiently and effectively	$68,820	$0	$68,820	Basket
TOTAL		**$356,820**	**$0**	**$356,820**	

CHAPTER 4. SNA RESOURCES (SP4)

4.1. Introduction

SP4 creates the policy, legal, and regulatory instruments required for SNA financing. It develops financial management capacity, provides funding through fiscal transfer mechanisms, promotes financial accountability and strengthens financial oversight and support functions. SP4 outcomes are outlined adjacently while its 12 outputs are described below.

Figure 5: SP4 Expected IP3 Outcomes

- SNA staff responsible for financial management are more aware and knowledgeable in areas of financial management [4.9, 4.10]
- SNA financial management staff perform their jobs better [4.9, 4.10]
- SNAs better comply with financial rules and regulations [4.10
- better manage their financial resources [4.9, 4.10]
- SNAs raise more local revenues; they are innovative in the way resources are raised [4.1, 4.3]
- SNAs are better governed financially (more transparent, more accountable, less corrupt, etc.); budgets are better understood by citizens and their representatives [4.9, 4.10]
- Citizen priorities (including those of vulnerable groups) are better reflected in SNA budgets and budget implementation [4.11]
- Vulnerable groups (including women, youth, ethnic minorities, etc.) are better supported, promoted and protected through SNA budgets [4.1, 4.11]
- SNAs improve their service delivery (because their financial management improves and they have greater access to funds)[all]
- Additional financial resources transferred to SNAs result in better service delivery than they would under Central Government (i.e. have higher rates of return or lead to improved value for money)[all]

NOTE: outputs contributing directly to each outcome are listed in brackets. A single output may contribute towards multiple outcomes. Outcomes cover the IP3 period.

4.2. SP4 Outputs

Output 4.1: Policy on fiscal decentralization completed. This will outline the Government's vision on fiscal transfers and own revenues, projecting the levels of resources expected for each type of SNA and for each source of finance over the medium term. This vision, and its targets, will play an important part in the development of the next phase of the National Program.

Output 4.2: SNIF established, piloted, and sources of finances secured for 2015 (with a target of $30 Million). During 2014 all guidelines and legal instruments will be finalized, funding will be agreed upon and made available, and the SNIF will operate on a pilot basis.

Output 4.3: Legal framework for SNA own source revenue sources developed, piloted and ready for implementation during 2015. A policy paper and all supporting regulatory instruments will be developed, including the identification of clear SNA targets on how much of their own revenue should be collected through own sources (in order to promote autonomy and accountability). Informal fees will be formalized and pilots will be designed in a sub-set of DMK. In these pilots own source revenues will be collected and managed. At the end of 2014 the pilot will be evaluated with a view towards expansion in 2015.

Output 4.4: Purpose specific conditional grants system and contractual financing arrangements designed and piloted. These mechanisms support the both the general mandate and the future transfer of functions. Both provide a mechanism for SNAs to receive transfers from Central Government (for example if agricultural extension is reassigned to SNAs), make transfers to Central Government agencies (for example to buy books for a school), for one level of SNA to transfer resources to another, or for DPs to contribute earmarked funds. These mechanisms will be piloted as part of the general mandate pilot (see output 1.3).

Output 4.5: Formula based system for PC budgeting designed and ready for operation in the 2016 budget. This will include any Sub-decrees, Prakas, or Regulations required.

Output 4.6: CS Fund allocated and implemented in 1633 CSs. The CS Fund is equivalent to 2.8% of the national budget and for 2014 will total $59.07 Million.

Output 4.7: DM Fund allocated and implemented in 185 DMs. The DM Fund is equivalent to 0.8% of the national budget and for 2014 will total $21.05 Million. Of this, the RGC will contribute $17.05 while Sida will contribute $US 4 Million.

Output 4.8: PC budget allocated and implemented in 24 PCs. For 2014, this is budgeted at $158.23 Million.

Output 4.9: SNA capacity to implement DM financial management regulations strengthened. This includes training on budgeting, financial management and procurement.

Output 4.10: Strengthen capacity for financial oversight. This includes training on accounts and account closure, budget and financial management training to the DLF, and audit training to NAA.

Output 4.11: A gender responsive budgeting policy and rules are established, rolled out, and in operation for the 2016 budget.

Output 4.12: SP4 managed efficiently and effectively.

4.3.SP4 Budget

The 2014 AWPB budget for SP4, excluding SNA expenditures, is as follows:

Table 8: SP4budget by output

CODE	OUTPUTS	BASKET	RGC	OTHERS	TOTAL	SOURCE
4.1	Policy on fiscal decentralization completed	$0	$0	$0	$0	Basket
4.2	SNIF established, piloted, and sources of finances secured for 2015	$0	$0	$114,076	$114,076	ADB
4.3	Legal framework for SNA own source revenue sources developed, piloted, and ready for implementation during 2015	$0	$0	$76,612	$76,612	ADB

CODE	OUTPUTS	BASKET	RGC	OTHERS	TOTAL	SOURCE
4.4	Purpose specific conditional grants system and contractual financing arrangements designed and piloted.	$0	$0	$66,276	$66,276	ADB
4.5	Formula based system for PC budgeting designed and ready for operation in the 2016 budget.	$0	$0	$0	$0	Basket
4.6	CS Fund allocated and implemented in 1633 CSs.	$0	$58,584,198	$481,284	$59,065,482	RGC, UNICEF
4.7	DM Fund allocated and implemented in 185 DMs.	$0	$17,047,901	$4,000,000	$21,047,901	RGC, Sida
4.8	PC budget allocated and implemented in 24 PCs.	$0	$158,231,605	$0	$158,231,605	RGC
4.9	SNA capacity to implement DM financial management regulations strengthened.	$42,900	$0	$152,966	$195,866	Basket, ADB
4.10	Strengthen capacity for financial oversight	$0	$0	$112,830	$112,830	ADB
4.11	A gender responsive budgeting policy and rules are established, rolled out, and in operation for the 2016 budget.	$51,177	$0	$0	$51,177	Basket
4.12	SP4 managed efficiently and effectively.	$81,280	$0	$0	$81,280	Basket
TOTAL		**$175,357**	**$233,863,704**	**$5,004,044**	**$239,043,105**	

CHAPTER 5. SNA PLANNING AND INVESTMENT PROGRAM SYSTEMS (SP5)

5.1. Introduction

The purpose of Sub-Program 5 is to develop the capacity of Sub-National Administrations for strategic planning and investment programming. SP5 outcomes are outlined adjacently while its 3 outputs are described below.

Figure 6: SP5 Expected IP3 Outcomes

- SNA staff are more aware and knowledgeable in terms of planning [5.1]
- SNAs plan better; plans are increasingly transparent and participatory; plans are better understood by citizens and their representatives [5.1, 5.2]
- Citizen priorities (including those of vulnerable groups) are better reflected in SNA plans [All, indirectly]

NOTE: outputs contributing directly to each outcome are listed in brackets. A single output may contribute towards multiple outcomes. Outcomes cover the IP3 period.

5.2. SP5 Outputs

Output 5.1: Planning/Budgeting Systems for PCs and DMKs developed and rolled out. Revised planning and budgeting guidelines will be designed, field tested and approved for PCs and DMKs. The process will involve:

- NCDD reviewing and approving the draft Policy on SNA Planning
- Completing a study to ensure a better linkage between planning and budgeting and will include: a review of the current planning/budgeting guidelines at SNA level, the preparation of a coherent SNA planning/budgeting calendar and the preparation of revised guidelines on planning and budgeting for different types of SNAs. Consultancy support will be provided through sub-program 1.
- Completing and approving all required guidelines
- Training SNAs on the revised guidelines
- Initially developing (drafting) M&E systems to track implementation of the plans

Output 5.2: CDB, CDPD and other planning databases reviewed and revised. Data will be collected in the CDB and PDPD and training on CDB scorecards and other data collection processes will be completed.

Output 5.3: SP5 managed efficiently and effectively.

5.3. SP5 Budget

The 2014 AWPB budget for SP5, excluding SNAs, is as follows:

Table 9: SP5 budget by output

CODE	OUTPUTS	BASKET	OTHER	TOTAL	SOURCE
5.1	Planning/Budgeting Systems for PCs and DMKs developed and rolled out	$0	$114,000	$114,000	UNICEF, PILAC
5.2	CDB, CDPD and other planning databases reviewed and revised	$20,490	$25,000	$45,490	UNICEF, UNDP, Basket
5.3	SP5 managed efficiently and effectively	$25,000	$0	$25,000	Basket
TOTAL		**$45,490**	**$139,000**	**$184,490**	

CHAPTER 6. CAPACITY OF THE ASSOCIATION OF COUNCILORS (SP6)

6.1. Introduction

SP6 describes the formation, legal registration, and capacity development of two member-based Council-Associations: (i) a *Regional Association of Councils* to represent PCs and (ii) a *Local Association of Councils* to represent DMKs and CSs, as well as the League / Secretariat. Outcomes are outlined adjacently while its 4 outputs are described below.

Figure 7: SP6 Expected IP3 Outcomes

- Councilor interests are better promoted and protected through the Associations [6.1, 6.3]
- Associations of councilors increasingly provide relevant and high quality services to its members [6.1, 6.2]
- The financial sustainability of Associations of councilors improves [6.2]

NOTE: outputs contributing directly to each outcome are listed in brackets. A single output may contribute towards multiple outcomes. Outcomes cover the IP3 period.

6.2. SP6 Outputs

Output 6.1: PC and DMK/CS Council Associations registered and established. In the first quarter of 2014, the 11 Provincial Associations of DMK/CS Council Associations will be integrated into a National League for DMK/CS Councils while during the second, Provincial Associations of DMK/CS Councils will be established in the remaining 13 provinces and effectively integrated into the National League. By the end of the year all associations will be fully functional legal bodies.

Output 6.2: Organizational capacity of the Council of Associations and League strengthened. This will include:

- Identifying and strengthening lobbying and legal functions (i.e. service delivery functions) and capacities
- Restructuring the Secretariat, to support both Associations, including completion of all TORs
- Finalizing the new statute and developing a new league strategic plan

Output 6.3: Strategy on financing both Associations designed, agreed upon, and ready for implementation in 2015

Output 6.4: SP6 managed efficiently and effectively.

6.3. SP6 Budget

The 2014 AWPB budget for SP6 is as follows.

Table 10: SP6 budget by output

CODE	OUTPUTS	BASKET	OTHERS	TOTAL	SOURCE
6.1	PC and DMK/CS Associations registered and established	$17,300	$180,155	$197,455	Basket, ACES
6.2	Organizational capacity of the Council of Associations and League strengthened	$11,700	$209,527	$221,227	Basket, ACES
6.3	Strategy on financing both Associations designed, agreed upon, and ready for implementation in 2015	$8,200	$0	$8,200	Basket
6.4	SP6 managed efficiently and effectively	$83,320	$0	$83,320	Basket
TOTAL		$120,520	$389,682	$510,202	

CHAPTER 7. SUB NATIONAL OUTPUTS

7.1. Introduction

This chapter summarizes the budget for outputs implemented at Sub-National level through earmarked allocations from basket funds and specific development partner projects. These outputs fall under Sub-Programs 1-6 but have been listed separately to highlight the essential role SNAs play in implementing the IP3. As the joint decisions with each implementing agency are finalized, additional sub-national outputs will be identified (particularly regarding training activities), and will be included in each PC workplan and budget.

7.2. Sub-National Budget

Budgets and outputs for SNAs are as follows:

Table 11: SNA budgets

NO	OUTPUT	TOTAL	SOURCE	SP
A	**Capital and Provincial Administrations (PC Administrations)**	**$4,577,725**		
1	Targeted CD activities identified and implemented by 24 PCs	$120,000	Basket	SP1
2	Training on the DMK Development and Investment Plans conducted in cooperation with MOP and MOI	$77,000	Basket	SP1
3	Guidelines on implementation of the strategic plan on social accountability disseminated	$80,000	Basket	SP1
4	Gender mainstreaming and women empowerment at SNAs promoted	$155,200	Basket	SP1
5	Functioning of 24 PC WCCCs strengthened	$27,500	Basket, UNICEF & UNFPA	SP1, SP2
6	Field monitoring and on-going support to 101 communes provided	$31,000	UNICEF	SP1
7	9 EPRP workshops in 9 provinces conducted to develop/revise their Emergency Preparedness and Response Plans	$9,000	UNICEF	SP1
8	Quarterly meetings for CFPWC and field monitoring to ensure the functioning of 1,115 community preschools in 12 provinces conducted	$17,750	UNICEF	SP1
9	PC and DMK council reporting format implemented	$6,000	Basket	SP2
10	Sub-decree and guideline on delegating power to SNAs to appoint, replace and dismiss civil servants, and the guideline on the preparation of TORs of CP and DMK staff disseminated	$6,000	Basket	SP2
11	SNA staff performance appraisal system implemented	$6,000	Basket	SP2
12	Manual on the implementation of DMK roles and responsibilities rolled out	$73,180	Basket	SP2
13	SNA OD plans developed and implemented	$6,000	Basket	SP2
14	Strengthening on planning and budgeting	$23,500	UNICEF	SP2
15	Civil registration in 9 target provinces strengthened	$27,000	UNICEF	SP2
16	Strengthening delivery of social services at commune level	$130,450	UNICEF	SP2
17	Zone innovations with the special focus on integrated Early Childhood Care and Development Services	$15,000	UNICEF	SP2

NO	OUTPUT	TOTAL	SOURCE	SP
18	Quarterly, semester and annual meetings and annual audit completed	$7,996	UNFPA	SP2
19	Monitoring, technical support and operation on social services	$5,040	UNFPA	SP2
20	Capacity building on DMK financial management and procurement	$126,609	Basket	SP4
21	Refresher training on CS planning in UNICEF target districts conducted	$18,000	UNICEF	SP5
22	Data for SNA planning prepared and disseminated	$108,140	Basket	SP5
23	268 PC TAs and contract staff recruited and deployed	$2,323,200	Basket	SP1
24	Operations for 2014 AWPBs of 24 CP administrations supported	$1,178,160	Basket	SP1
B	**Municipal, District and Khan Administrations**	**$3,391,252**	Basket	
1	Targeted CD activities identified and implemented in 194 MDKs	$135,800	Basket	SP1
2	Workshops with CS Councils on key principles of democratic development and civic engagement conducted	$38,800	Basket	SP1
3	Functioning of 194 MDK WCCCs strengthened	$160,040	Basket, UNICEF & UNFPA	SP1, SP2
4	OD plan developed and implemented	$87,300	Basket	SP2
5	Civil registration in 11 target districts strengthened	$22,000	UNICEF	SP2
6	CCWCs/CCs in 346 communes supported	$173,520	UNFPA	SP2
7	Monitoring, technical support and operation on social services	$11,072	UNFPA	SP2
8	610 DMK TAs and contract staff recruited and deployed	$1,855,800	Basket	SP1
9	Operations of 194 MDK administrations supported	$906,920	Basket	SP1
	TOTAL	**$7,968,977**		

NOTE: SP = SUB-PROGRAM

ANNEX: KEY TARGETS AND INDICATORS

The IP3 results framework contains 115 indicators at all levels of the results chain. These are reporting in all annual and semi-annual reports. During 2013 effort was made to reduce these indicators as part of the dialogue and process to develop the NSDP (National Strategic Development Plan) and as part of the formulation of the EU Program Estimate. Targets for 2014 for 16 of these key indicators are contained below.

Table 12: Key targets 2014-2018

Indicator	Baseline (Year)	ACTUAL	TARGET					Description / Note
		2013	2014	2015	2016	2017	2018	
SERVICE DELIVERY AND GOVERNANCE INDICATORS								
1. Service Delivery Satisfaction Index	65.14 (2011)		70.57	72.38	74.19	76.00	77.81	The Local Governance Survey is undertaken every 2 years (2011, 2013, 2015, etc.). All Indexes are disaggregated by gender. Data for 2013 is being collected during Q4 2013. Targets assume a 25% increase by 2020 and are included in the EU Program Estimate
2. Governance Index	50.75 (2011)		54.98	56.39	57.80	59.21	60.62	As above
3. DM Capacity Index	44.33 (2011)		48.02	49.26	50.49	51.72	52.95	As above
IMPLEMENTATION / OUTPUT INDICATORS								
Functions transferred								
4. Cumulative % of the national budget transferred to SNAs as a result of the functional reassignment process	0%	0.00%	0.00%	0.90%	1.80%	2.70%	3.60%	The indicator measures the size of services transferred to SNAs. The target is found in the NSDP and assumes the size of the DM and CS fund (0.8% and 2.8% of budget) will double by 2018.
Financial resources increased								
5. DM fund as a % of the national budget	0%	0%	0.8%	0.8%	0.8%	0.8%	0.8%	The DM fund was not operational during 2013, though the administrative component was transferred through the Provincial budget
6. DM own resources as a % of DM budgets	0%	0.00%	0.00%	2.50%	5.00%	7.50%	10.00%	NSDP target. Own sources are seen as providing DMs with increased flexibility (more autonomy) while strengthening horizontal accountability
7. Cumulative expenditures, in $US Millions (M) made on SNIF Projects	0	0	0	0	$1.0 M	$5.0 M	$10.0 M	
HR management improved and undertaken more autonomously								
8. % of SNA staff at DMK and PC level whose performance was appraised			50%	100%	100%	100%	100%	Part of the development of HR management systems to be implemented by SNAs

Indicator	Baseline (Year)	ACTUAL	TARGET					Description / Note
		2013	2014	2015	2016	2017	2018	
9. % of PC administration directors who are female		1.39%	5.11%	8.83%	12.56%	16.28%	20.00%	NSDP target to reach 20% by 2018
10. % of PC heads of division who are female		5.00%	8.00%	11.00%	14.00%	17.00%	20.00%	As above
11. % of DMK administration directors who are female		10.38%	13.30%	16.23%	19.15%	22.08%	25.00%	NSDP target to reach 25% by 2018
12. % of DMK heads of office who are female		18.39%	18.39%	18.39%	18.39%	18.39%	25.00%	As above
Vertical and horizontal accountability strengthened								
13. Cumulative number of DMs with charters approved by council	0	0	0	20	185	185	185	This is also an NSDP target
14. % of DMKs, Provinces, and the Capital audited and receiving satisfactory scores in: compliance inspection, financial audit, procurement audit, project audit	0.00%	0.00%	0.00%	10.00%	20.00%	30.00%	40.00%	Assumed to reach 60% by 2020. The target is included in the EU Program Estimate as well.
15. Cumulative number of districts where all communes have completed social accountability requirements		0	20	70	120			Activities include providing information to citizens in the form of I4C, completing citizen monitoring exercises, and developing Joint Accountability Action Plans
Program implementation								
16. % of milestones met on time	30% (2011)		85%	85%	85%	85%	85%	2013 figures will be collected during January 2014