

IP3 EXTENSION (2014) OF NP-SNDD

1. INTRODUCTION

1.1. Purpose of the document

On 8th May 2013, the Technical Working Group (TWG) on Sub-National Democratic Development agreed to extend the 2011-2013 IP3 for another year, 2014. Implementing the agreement, the Secretariat of NCDD (NCDD-S) formed a working group to facilitate and support to the formulation of this 1-year IP3 extension. The working group worked extensively with all concerned key partners, especially all IP3 implementers, DPs and some individual SNAs to review the first 2.5-years of implementation progresses, identify issues related to undeliverable outputs and look closely at necessary support mechanisms including TAs during July-September 2013.

This document sets out the Royal Government of Cambodia's (RGC) commitment to achieve and focus on undeliverable, but still prioritized outputs of this first IP3 as well as some necessary "bridging" activities to be undertaken in 2014. This 2014 IP3 will be executed by the National Committee for Democratic Development (NCDD) through its Secretariat (NCDD-S) and all key Implementation Agencies (IA) namely, Ministry of Interior (MOI), Ministry of Economy and Finance (MEF), Ministry of Women's Affairs (MOWA), Ministry of Planning (MOP), the State Secretariat for Civil Service (SSCS) and the National League of Commune/Sangkat Councils (NLC/S)¹ and SNAs.

1.2. Process of preparation

Since it is an extension of the IP3, 2011-2013, it is important to again emphasize that IP3 2014 document does not intend to replace the comprehensive and still-valid IP3, 2011-2013, document. It is rather to look at the undeliverable outputs of this first IP3 of the 10-year NP-SNDD.

The formulation of the 2014 IP3 extension had four main components. The first three components involve looking at the details of the IP3: (1) reviewing implementation, (2) identifying IP3 outputs which cannot be implemented and (3) reviewing support mechanisms and TAs. These works have been carried out by respective (SP) implementation agencies during July-September 2013. The fourth component was about instilling and testing participatory planning methodologies which were utilized by an independent facilitator to facilitate the discussions to result in a more specific, prioritized, and better-owned set of activities by all key SP implementers.

The latter process took place in a form of one 2-day workshop attended by 5-25 representatives of individual IAs at NCDD-S Meeting Hall separately during August-September 2013. These workshops allowed IP3 SP Implementers to revisit and identify issues/problems leading to the identification of possible solutions and determination of 2014 priorities through "problem trees" analysis methodology. Result from these workshops in a form of concrete priority list by SP was then submitted to respective SP Leadership and NCDD-S Management as main inputs for IP3 2014 extension document.

The draft of IP3 2014 document was formulated based on all above consolidated inputs and widely consulted during September 2013. The final document of IP3 extension was submitted to and approved by NCDD on....

1.3. Structure of the document

The document consists of the following Sections:

¹ At this IP3 extension formulation moment, there are two LGAs about to emerge: the National Association of P/C Councils and the National League of D/M/K/C/S Councils

Immediately after this Introduction Section, progress of the past-2.5 year IP3 Implementation is summarized to appreciate the efforts of all involved. In this same Section 2, encountered and yet still remained issues are identified and rationalized as main areas for concentration in 2014.

SP 2014 priorities in the form of the IP3 2011-2013 expected Outputs reviewed and proposed by individual SP IAs are elaborated in Section 3. This is explained by SP and a core component of this document as it confirms commitment of individual IAs and its respective ministry or institution. To support IP3 2014 Implementation, updated arrangements for program management including TA are described in Section 4, followed by monitoring and evaluation section (Section 5) and strategies for capacity development (Section 6) and gender mainstreaming (Section 7).

Section 8 captures IP3 financial resources in the form of expenditures in the past years and proposed IP3 2014 budget. Finally, the underlying assumptions and risks of IP3 2014 are presented in Section 9.

2. SUMMARY OF PROGRESS AND ISSUES/CHALLENGES TO DATE

2.1 Progress to Date

IP3, 2011-2013, implementation has been progressed steadily towards local governance and local development. With all SNA's structures have been established and staffed, systems are slowly built-in and become operational. Clear progresses could be summarized as following:

NCDD-S has been strengthened to take up the management, coordination and policy/regulation formulation roles, and numerous/countless legal and policy document, guidelines, training material, manuals and handbooks are have been and being produced to strengthen capacities of SNAs, councillors and staff. Capacity towards D&D reform has been on the rise at both national and sub-national levels.

In terms of governance, all 185 District and Municipality and nine Khan structures are for the first time recognized as a separate tier and 'up and running'. SNA's personnel have been aligned into the new structures in relatively short period of time while planning and financing systems and procedures are gradually improved.² Foundation to further foster local democracy and decentralisation has been put in place.

The "new and separate" Statute for SNA's Personnel, Strategy for HR Management and Development and two draft sub-decrees on personnel management are ready for finalization, and approval are expected during this last quarter of 2013. These policy and level instruments will legally permit the RCG to delegate powers to SNA for the management, appointment, movement and termination of civil servants working at Sub-national levels.

As regards functional assignment, a profound investment in time and effort has been made by five Ministries to identify key functions, their service delivery responsibilities, their legal frameworks, and their costs. All five Ministries are currently assessing which of the functions identified and analyzed

² Two important guidelines, the D/M/K operational guidelines and the D/M/K Project Implementation Manual (PIM) will be soon finalized.

should be transferred to local governments and why, and which level of SNA is most appropriate to provide these services.

On SNA's Finance, clear achievement is on the creation and rolling out of D/M Fund since 2012 and the smooth implementation of C/S Fund throughout the IP3 implementation period. The adoption of the Law on Financial Regime and Property Management of SNA in 2011, Sub-decree on D/M Fund establishment in 2012, followed by a guideline for D/M 2012 budget implementation and another one on 2013 SNA budget preparation and classification are impressive achievement. Trainings and additional guidelines on this are being put in place.

Achievements around "the three Fs" Functionaries, Functions and Finance have contributed greatly on building SNA's operational capacities during the short period of IP3 Implementation. Together with the recently approved Social Accountability Strategic Plan for Sub-National Democratic Development, the technical guidelines on people's participation and a number of important legal instruments, guideline and training materials describing process and mechanisms for constructive engagement at local level, accountability lines are slowly shifted towards democratic and social ones.

Another important achievement is related to information/data. During IP3 implementation, numerous systems and large volume of data have been made available. NCDDS has developed a web-enabled computerized system, the NAD (National AWPB Database), to support improved implementation and monitoring. Number of researches, studies and reports have greatly benefited from the increased availability, consistency and processing of the large volume of data presently made available through IP3.

2.2 Issues and Challenges Encountered During IP3 Implementation

IP3 implementation during 2011-2013 has progressed with enormous obstacles and issues. Apart from kicking off six months late, global economic recession and crisis in other regions leading to withdrawal of financial supports to the reform, (*here I want to pinpoint to DFID and the World Bank, precisely*) there have been many internal issues/challenges encountered. Below are some major issues identified against the intended IP3 immediate focus (IP3 Pages 13-14) on establishing and developing the capacity of D/M/K as institutions for both local governance and local development by focussing on:

- a) a **policy and legal environment that** (i) supporting and enabling the exercise of local autonomy and regulatory oversight and (ii) widening the scope of the reforms to allow the reassignment of functions from national to sub-national administrations. On this front, it is widely recognized that there was a rather slow progress on handing over to SNA the management of SNA HR as well as on rolling out HR development program with adequate budget. At the same time, there hasn't been progress made in terms of providing SNAs (esp., D/M/K and C/S) with additional sources of funding through project-financing facility, purpose-specific grant mechanisms (conditional transfers and/or attached to specific sector's functional assignment) or SNA potential own-source revenues.
- b) **autonomous SNAs**, as *institutions* (organizations and procedures) with related organisation, human and financial *capacities* to transform the sub-national system of governance and public

administration. It is genuinely agreed that apart from slow progress in terms of providing operational “Finances, Functionaries and Functions – the 3 Fs” capacities to D/M/K from central ministries, there have been no great changes on political and social capacities of SNAs (esp., at D/M/K and P/C levels) during this first mandate of D/M/K and P/C administrations.

- c) a **framework and system of oversight**, exercised by National authorities, replacing the current system of administrative control, and thereby allowing SNAs to exercise their autonomy and to be accountable for the results of their actions. This important change of national-sub national relationship did not progress satisfactorily as intended under the IP3, 2011-2013. Concretely, arrangements for SNA compliance inspection routines as part of oversight and legality controls mechanisms and arrangements for citizen participation in review and appeal processes and conflict resolution mechanisms have not been undertaken systematically.

From these identified issues, IAs have discussed all possible solutions and assessed own-capacity factors to come up with priorities in 2014 to achieve IP3 remaining “expected” outputs which are described in detail in the following Section 3.

3. PROGRAM DEFINITION

In line with the program purpose and goal of the existing IP3, all 2014 expected outputs of individual SPs are still structured into six sub-programs according to implementing Ministry/Agency and aim to address the immediately intended focus of the reform/IP3 and to achieve its undeliverable outputs. In Summary, areas will be addressed in 2014 by all IP3 IAs include:³

The Three Fs are essential to establish and build “autonomous” SNA’s operational capacities:

- **Functionaries:** There are optimistically quite a number of policy framework and related legal instruments and guidelines in the approval pipeline. Those include the Strategy for SNA HR Management and Development and “new” Personnel Statute, and some RGC’s sub-decrees such as the ones on Delegation of Authority to SNAs to Appoint, Replace and Terminate Personnel’s Services Being Rendered at Sub-National Level and on Delegated Authority for all Kinds of Personnel Leaves from Works and Holidays. Assigning authorities to D/M handling SNA’s monthly pay-checks/salaries and directly handling the recruitment (i.e. appointment, replacement and service termination) and personnel’s daily matters is a step towards making SNA as an “autonomous” institution.
- Equally important, SNA’s HR capacity development program will be systematized as from 2014. Utilizing the NCDD-S SNA Capacity Assessment and Governance Survey released in 2012, different needs in terms of political, operational and social capacities of D/M/K will be analyzed and capacity development program will be designed accordingly for SNA’s councils as well as its executive branches including BoGs and administrations. Systematic HR capacity

³ This will be discussed more in detail in separate papers referred to as “Issue Paper” which are attached to this IP3 2014 Extension Document.

development program requires short-term, medium and long-term actions with real commitment and adequate financial resources.⁴

- **Functions:** SNA's initiatives and freedom of choices matter the level of "local autonomy". With this in mind, functional assignment efforts in 2014 will start with a promotion of SNA performance of permissive functions/general mandates which are not in high-politically contested arena. Concentrated actions for this priority will be around promoting local initiated activities which are practical and do not impose a high financial burden. Systematic functional assignment will also be kicked-off in this year, especially in the form of pilot program and delegated contractual arrangements with at least two sectors.
- **Finance:** While recognizing a major step towards the creations of SNA inter-governmental block grant transfer made in 2012-2013, 2014 focus will still be placed on a materialization of D&D reform potential to add resources for the national and sub-national governments. Efforts will be concentrated on ways to increase sources of funding to SNAs, especially to D/M/K and C/S. It is genuinely agreed that there are different potentials in terms of financial capacities for different D/M/K and C/S which need to be materialized and eventually formalized.⁵ This could be tested by imposing "minimum" policy allowing for own-source revenues in terms of shared non-tax revenues and formalization of informal fees, charges and local donations. In addition, 2014 attentions are further given for finalization of SNIF establishment, pilots for conditional transfers and finalization of P/C formula-based budget allocations.

SNA's Political and Social Capacities in the form of undertaking political/democratic and social accountabilities:

- For political/democratic accountability 2014 priority, efforts will be concentrated on downward accountability of SNAs to their electoral constituencies through council's deliberations and creations of rules, procedures and mechanisms to represent people's voices and make respective executive branches accountable to the highest SNA organizational body, namely the council.⁶
- To promote social accountability/SNA's social capacities, the newly adopted strategic plan on social accountability will be rolled out for implementation. Priorities in this area will contribute to empower citizens and local communities, particularly women, youth and disadvantaged groups to actively engage in SNA's decision-making process and in the process of those decision implementations. In practice, mechanisms/tools and procedures will be put in place allowing for people's improved access and use of information and citizen-led monitoring of budgets and the performance of SNAs.

Gender is the vital cross-cutting component of NP-SNDD and IP3. Recognizing the slow progress in the past, 2014 priorities will be concerted in a few practical areas:

⁴ For illustration purpose: Singapore grants full scholarships to its brightest students to study overseas to attract them to work for the government institutions as a competitor to the cash-rich private sector. Here, for quick solutions, quite a numbers of local authorities engaged skilled individuals through volunteerism and contracts.

⁵ In a real example, an urban Sangkat mobilized/recorded over USD2 million from private contributions during its 1st mandate. With a bit more authority, M/K and other urban areas could generate enough fees to manage their own trash collection schemes and relocate/turning street markets to proper "community-friendly" ones such as relocations to agreeable new locations, improved and orderly stalls or night markets easing the traffics and public disorders without compromising people's incomes and inconveniences.

⁶ To enable the council to exercise its legislative and executive powers with respect to all normative, administrative, organizational, fiscal and financial matters of its competence as defined by the national laws and relevant legal instruments

- Work's opportunity is a good entry point and will start with a provision "of quota" of a fair number "decision-making" positions to women at NCDD-S and all SP's IAs (including SNAs) and attached TAs;
- For active and quality contribution, conducive working environment for women will be enabled. Gender mainstreaming activities will be conducted for both, but with a focus for peer's men whereas women-friendly facilities are to be put in place;
- With a strong commitment from SP4, NCDD-S will finalize and roll out the policy on gender-responsive budgeting and monitor the compliance of SNAs.

(Gender will be discussed more in Section 7)

Support mechanisms including TA re-deployment will be discussed in Section 4 under "Program Management" whereas **M&E in a form of result-based (performance) management** is explained in Section 5.

3.1.Sub Program 1 (NCDD-S)

Under this Sub Program, there are three components described in the IP3, 2011-2013: (1) Developing the Regulatory Framework of the D&D Reforms; (2) Advancing Sector Decentralization Reforms and Functional Reassignment; and (3) Strengthening capacity for Program coordination, management and monitoring. In undertaking these components into 2014, NCDD-S will maintain and further enhance its coordination roles to work with all other key ministries and agencies in the development of policy and legal framework aiming to (i) supporting and enabling the exercise of local autonomy and regulatory oversight and (ii) widening the scope of the reforms to allow the reassignment of functions from national to sub-national administrations. Sub Program 1 priorities proposed for 2014 include:

Developing the Regulatory Framework of the D&D Reforms

Apparently, there have been great achievements in the past 2.5 years in terms of getting key regulations in place to enable SNAs to undertake its roles in a new "governance" environment of the reform, especially for the D/M/K being the first time as a separate administrative and budgetary tier.⁷ Attention was upmost high on getting SNAs up and running with a feasible budget, and D/F Fund was a clear success in this priority.

For 2014, the immediate focus of IP3 to establish and develop D/M as "autonomous" institution with enhanced democratic and social accountabilities will further be materialized. In practice, SP1 managed by NCDD-S will work closely with all central ministries in developing policies and legal instruments to allow D/M/K for local resources mobilization to manage and resolve local issues related for instance to urban environment, NRM, development and maintenance of local infrastructure etc.

Equally important, NCDD-S will coordinate with SP2, SP3 and SP4 as well as other concerned institution to materialize and finalize key legal instruments called for by the OL, especially on own-sources revenues, finance and asset management, Human Resources Management (separate statute for sub national personnel management), Local Economic Development and Service Deliveries.

⁷ Similar to the C/S first mandate, understanding roles & responsibilities and undertaking planning and budgeting tasks were foremost important and required by the Laws

Advancing Sector Decentralization Reforms and Functional Reassignment

Local Economic Development and Service Deliveries by SNAs remain a “new” concept and approach for many, having been too long under centralized system and only undertaken “security” related tasks during the war. In addition to this perception, there have been “bias” behaviours and attitudes to allow for “local” capacities and initiatives to grow.⁸ This is a real challenge that requires immediate actions (with concerted support from DPs)

While pushing for more functions under the “general mandate” term to be undertaken and promoting SNA’s initiatives, in 2014 NCDD-S will work with ministries to “pilot” implement some functional assignments in at least two sectors to prove that “quality” services could be provided by SNAs being the closest institution and directly accountable to the people. Together with the implementation of OWSO, SNAs will be supported with tools to promote people’s access to services and people’s feedback and monitoring for service improvement.

Strengthening capacity for program coordination, management and monitoring

SNDD needs similar reform at national level which requires a strong coordination and monitoring role. 2014 will still be critical for NCDD-S to coordinate with all concerned and finds ways to expedite legal instruments, guideline, and training curriculum formulation process and encourage the implementation at sub national level through regular NCDD and NCDD sub committees meetings to oversee the works. NCDD-S capacity strengthening priorities will still be the same as 2011-2013 and aim for:

- Enhancement of the coordination, cooperation and reaching-out to concerned ministries and agencies
- Enhancement of the roles of LGAs (i.e. the National Association of P/C Councils and the National League of D/M/K/C/S Councils) to advocate for key regulation formulation
- Mobilization of technical and financial resources to support concerned ministries in functional transfer
- Mobilization of resources to support study and consolidate lessons learned related to functional transfer and local initiatives to promote D&D reform
- Development and rolling out of M&E system (Result-based Management) at IP3 focus and expected outputs levels

3.2. Sub Program 1b (NCDD-S)

In 2014, this Sub-Program will be implemented under the overall responsibility of NCDD-S, but with close cooperation with LGA (i.e. NLC/S at this moment) and maintains its focus on developing political and social capacities of SNAs, especially for the councils to promote democratic and social accountabilities. Proposed priorities under SP1b for 2014 are:

Development of system for council decision-making, civic engagement and oversight of administration

Under this Component, efforts will be concentrated on democratic accountability. Presently, there are a number of guidelines (such as the technical guidelines on people’s participation and on local economic development) developed and tested and ready to be used as training materials for the

⁸ Many government and DP’s development programs have been centrally managed, unintentionally inviting local talents and skilled personnel to serve for “crowded” central bureaucracies, in Phnom Penh and a few major towns

councils. In addition, other important technical documents to strengthen SNA's council capacity in terms of defining council's jurisdiction of decision-making, roles and constraints, political deliberations and making their executive branches accountable will further be developed.

Coaching and mentoring service to newly formed D/M/K Councils and CS Councils

Priorities under this component will be kicked off with more focus and changing roles of TAs at D/M/K level to respond to different SNA (political, operational and social) capacity needs and offer appropriate support to C/S. It is important to note that NCDD-S is fully committed to promote SNA social accountability, and plans to implement the recently adopted Social Accountability Framework in 2014 are being formulated. Therefore, coaching and mentoring services to D/M/K and C/S will be re-aligned to this priority accordingly.

3.3.Sub Program 2 (MOI)

Under the overall responsibility of the Ministry of Interior, this Sub-Program is divided into four components, 15 objectives and 40 expected outputs of which at least 15 have been or will be achieved by the end of 2013. Remaining priorities in 2014 are:

Setting up and staffing SNA

Key policies and guidelines on SNA setting up and staffing have been developed and will eventually be adopted by the end of 2013. Those policies and guidelines include an HR Management & Development policy, SNA Staff Performance Guidelines and HR statute for personnel of SNAs. Once they are adopted, dissemination, enforcement and monitoring on compliances will need to be carried out. Furthermore, the setting up and staffing SNA following the Sub-Decree 215 and 216 have resulted in uniformity across the country and need some adjustments to better respond to the needs of individual SNAs.

Together with SP3, SNA staff performance guidelines will be developed and SNA staff performance will be assessed by respective SNAs and monitored by the national level.

Institutional and staff capacity development of SNAs

This is an on-going component. For 2014, there are at least two manuals to be finalized and associated trainings are rolled out. They are Manuals on D/M/K Roles and Responsibilities and Social Services. They will be parts of the overall and comprehensive "SNA Operational Manual", covering all aspects of SNA functioning.

Equally important, SP2 will continue to carry out monitoring and backstopping activities on SNA OD Manual compliances and implementation of SNA own-intervention plans. Based on needs and with close cooperation with other SPs, SP2 will periodically provide TOT trainings to SNAs and support to SNA CD facilitator teams.

Oversight and legality controls

This is properly the only component under this SP implemented less. A cause of this delay has been a limited understanding on the intended outputs. It should be noted that "oversight and legality controls" require drastic shifts from administrative controls customized by Cambodia's long centralization history. In this regard, there is a need to start with the development of a comprehensive framework for oversight and regulation in 2014.

Joint-ministerial inspections planned under IP3 SP2 will continue, especially between MOI and MEF, to ensure compliances and minimize irregularities. In case of necessity, additional mechanisms (to protect and promote the reform creditability) will be put in place. Along with this fiduciary mechanism, policy options for people's participation in review and appeals processes and conflict resolution mechanisms will need to be developed. SP2 will closely work with SP1 and other interested partners to carry out studies on these options.

Improve SNA system operating conditions

Amongst all four components of SP2, this is a straightforward one. There are a few SNAs that have started to construct, move (to better premises) and equip themselves during these past years. However and for 2014, there is still a strong need to support for more constructions and provision of necessary equipments to them, particularly D/M/K.

3.4.Sub Program 3 (SSCS)

There are two components under this SP and closely associated with the first two (out of four) components of SP2. In this regard, SSCS will implement all 2014 priorities with close collaboration with MOI.

Transitional Arrangements for SNAs Human Resources Management

Under this component, it is expected that two sub-decrees will be adopted by RGC towards the end of 2013. Those sub-decrees are:

1. Sub-Decree on Delegation of Authority to SNAs to Appoint, Replace and Terminate Personnel's Services Being Rendered at Sub-National Level;
2. Sub-Decree on Delegated Authority for all Kinds of Personnel Leaves from Works and Holidays

Once these sub-decrees are adopted by RGC, SSCS undertake necessary activities to have them enforced and implemented by SNAs.

Permanent Regulatory Framework for SNA Human Resources management

This component calls for the finalization of a strategy for the management and development of SNA personnel and new (separate) statute for SNAs personnel, both are expected to be adopted by NCDD and RGC at the end of 2013. Once they are adopted, SSCS will:

- Ensure that the Strategy for SNA HR Management and Development and "new" Personnel Statute are effectively enforced and implemented;
- Carry out studies on options to establish SSCS support mechanisms for reaching out to SNAs;
- Formulate other necessary legal instruments and guidelines for effective implementation of the "new" SNA Personnel Statute

3.5.Sub Program 4 (MEF)

It is an enormous SP divided into four components with 19 expected outputs and 70 deliverables (in Khmer, the word "deliverables" is also translated as "expected outputs"). Impressive progress has also been observed with regard to the design and rolling out of D/M Fund. However, there are many undeliverable "important" outputs which are proposed under all four components as priority for 2014:

Policy and legal framework for SNA Financing Mechanisms

2014 priorities under this component aim to boost SNA's operational capacities, especially for D/M/K, through establishments of additional local funding sources (i.e. avoiding an increase of financial burden on the national level/adding more resources for local development through D&D reform). The proposed priorities include:

- The finalization of a project-financing facility modalities and procedures (with support of ADB);
- Formalization of modalities and procedures for scaling up of purpose-specific (conditional) grant mechanism for SNAs being introduced by different "external" programs (e.g. CCA by UNCDF);
- Development of guidelines for pilot programs on contractual financing arrangements (SNA - Line Ministries) following sector's functional assignments;
- Further studies for policy development and "minimum" guidelines on local resources mobilized through formalization of informal fees, changes and donations and on options for shared non-tax revenues (in close cooperation with SP1)

SNA financial management and financial accountability systems and procedures

As part of an effort towards building up SNAs as autonomous institution, SP2 devotes for:

- Further development of regulations and guidelines to implement the SNA Finance Regime Law with special focus on SNA properties;
- Further development and rolling out of financial accountability framework;
- Finalization of policy on Gender Responsive Budgeting (GRB) and rolling out

SNA capacity for (a) financial management and (b) financial accountability

Under this component, MEF together with MOI (SP2) will continue to mobilize efforts for:

- Development of curricula packages, including user-friendly handbooks covering core competencies and key capacities for SNA financial managers and professionals
- Further strengthening of provincial treasury branches and carrying out study on options to establish DM-level treasury branches
- Capacity development on financial management for SNA structures (Council, Board of Governors, Administration)

Central institutions capacity for support and control

In terms of central institution capacity, SP2 will maintain its focus in 2014 on strengthening:

- MEF capacity to support SNA and monitor their financial management performance; and
- Capacity of the National Audit Authority (NAA) to audit SNAs' works

3.6.Sub Program 5 (MOP)

This IP3 Sub Program is divided into two components with 26 deliverables/expected outputs many of which have already been achieved. Due to limited capacity and availability of skilled personnel and advisor(s), SP5 will primarily focus on the following 2014 priorities:

Developing the Planning systems of SNA

To further develop SNA planning systems, it is critical for all concerned institutions at central level to clarify and agree on their roles. Therefore, SP2 plans for a reflection workshop in 2014 to clarify "institutional roles" in terms of: (1) planning policy formulation; (2) roles and responsibilities to conduct planning trainings for SNAs; and (3) support and strengthening SNA's development planning and investment programming focusing on social services, NRM and LED.

Equally important, the development of sub-national "Spatial Development Frameworks" will be kicked off with close cooperation with the Ministry of Land Management whereas MIS supporting sub-national planning systems will further be developed.

Developing SNA Planning Capacity

In terms of SNA's planning capacity, MOP together with MOI (SP2) will focus the effort on continuation to develop C/P and D/M/K planning capacity and carry out an evaluation of all SNA's planning systems to gather lessons learned as inputs fed into the preparation of the new version of the Planning Guidelines which are more connected amongst and synchronized all 3-tier SNA's planning systems.⁹ This latter priority requires TA and a joint working group formed between MOP, MOI and NCDD-S.

3.7.Sub Program 6 (LGA-NLC/S)

There is one component "Development of an 'Association' of SNA Councils" planned under this first IP3. Progress has been made against all nine IP3/SP6 deliverables/expected outputs of this component during 2011-2013 implementations. Concretely, the National Association of P/C Councils has already been registered by MOI in the 3rd quarter of 2013. However, there is still a slight delay for the establishment of the National League of D/M/K/C/S Councils¹⁰.

It should be noted that the processes for establishments of the National Association of P/C Councils and the National League of D/M/K/C/S Councils¹¹ involve consultations at individual SNA councils, formations D/M/K/C/S associations at C/P level, hence are time-consuming and require active participation by SNA councillors who are de facto a local politician. Therefore and apart from their routine SNA work schedule, all SNA councillors were heavily involved in the 2012 and 2013 local and national elections causing several postponements of SP6 activities into 2014.

In 2014, two major priorities are proposed: (1) the establishment of the National League of D/M/K/C/S Councils with newly adopted statute, structure and strategic plan; and (2) the re-adjustment of the internal management capacity and governance structures of the National League and C/P Associations of D/M/K/C/S Councils. Both priorities require considerable technical and financial supports to operationalize these new Leagues and C/P Associations of D/M/K/C/S Councils.

4. PROGRAM MANAGEMENT

For 2014, there are two key management challenges required immediate actions. First, there is a necessity to achieve undeliverable expected outputs towards the intended immediate focus of this first IP3. In this regard, NCDD will have to make its four Sub-Committees functional and carry out its oversight roles to oversee all SP's implementations of the IAs and "whole government" actions which contribute to the implementation of the NP-SNDD, hence the organic laws. NCDD-S will work closely with SP2, SP3, SP4 and SP5 to support respective NCDD Sub-Committees on work planning and regular meeting scheduling which aim, apart from developing necessary legal instruments, to oversee reform progress, identify encountered issues and propose possible solutions to NCDD.

It should also be noted that "too" slow progress could crowd out support, fade away confidence and affect the intended results of the reform. To prevent this from happening, NCDD-S will undertake its secretariat roles strongly in supporting NCDD to carry out regular ordinary and unordinary meetings and submit progress and issue update report to RGC for prompt and in-time intervention.

Second and equally important, NCDD-S will be pro-active to support NCDD to promote greater buy-in across government "whole government" institutions and mobilize all supports (including from DPs and CSOs) through the Technical Working Group (TWG) on Sub-National Democratic Development for the formulation of the next phase of implementation plan of NP-SNDD (IP 2015-2017).

⁹ The latter activity has been planned for 2012 and 2013 respectively, but not materialized.

¹⁰ A combination of the long-existing NLC/S and the to be formed "National League of D/M/K Councils" which could be referred to as a national league of "local" government council associations

¹¹ An expansion of the long-existing NLC/S to include D/M/K Councils which could be referred to as the National League of "local" Councils

4.1. 2014 Program Execution and Implementation

2014 IP3 Extension will remain under the overall execution of NCDD-S that will support NCDD and its Sub-Committees to oversee all SP's implementation of the IAs being the owner and manager of respective Sub-Programs. Key IP3 IAs for this extended year will still be the Ministry of Interior (MOI), Ministry of Economy and Finance (MEF), Ministry of Women's Affairs (MOWA), Ministry of Planning (MOP), the State Secretariat for Civil Service (SSCS) and the National League of Commune/Sangkat Councils (NLC/S), SNAs and NCDD-S, itself.

While arrangements and approaches for program execution and implementation remain basically unchanged (and as compressively explained in the Section 8 of the IP3 document), focus will explicitly be on building up the capacities¹² of D/M/K based on the actual "different" needs to become "autonomous" institutions for both local governance and local development. In practice, all SP's 2014 planned priorities are very much concentrated on:

- Making NCDD-S to effectively undertake the central role in the process of policy origination, consensus-building and endorsement;
- Enabling and supporting D/M/K to gradually become "autonomous" SNA through a "learning-by-doing" process of capacity development;
- Making national ministries/institutions to effectively exercise its legal, regulatory controls and results monitoring.

NCDD-S and all IAs will adapt their oversight/M&E and support mechanisms and approaches including a re-direction of TAs. For NCDD-S structure, adjustment will be made to make (three out of four) divisions; namely the Policy Development and Analysis Division, Monitoring & Evaluation and Information Division and Program Management and Support Division; to be more effective and eventually become "champion" (always on the cutting-edge) for the reform. To be able to achieve this internal capacity development plan, NCDD-S will undertake institutional and individual capacity assessment and concerted actions on re-positioning of key staff with proper incentive schemes¹³. The re-positioning will be in line with the above concentrated areas.

SNA Operations and Merit-based Recruited Personnel

Like any other reforms, the IP3 2014 Extension will need to attract qualified and competent personnel who in the past have been supplemented with additional cash honoraria in the forms of salary supplements, PMG, MBPI and the latest POC. When all these schemes were terminated, most of the competent and qualified personnel had gradually dropped their duties and sought for opportunity elsewhere (including trying to compete for the already going-down TA's posts). This has become a reality regardless that these incentive schemes were introduced and aimed to solve short-term problems.

NCDD-S recognizes that there is no easy solution to this, but remains optimistic that for the long-run, RGC will resolve the matter through its commitment for PAR and gradually raise the level of salaries, especially for those working at sub-national level. It should be noted that there are presently about 390 contracted staff employed in the support service categories at national, provincial and D/M/K levels (as for D/M/K, the IT Assistant).

For 2014, NCDD-S will adjust its IP3 technical and operational support mechanisms from national and provincial levels towards D/M/K and C/S. In practice, two concrete priorities will be materialized:

¹² This refers to political, operational and social capacities.

¹³ It is understood that incentive scheme in terms of "added" cash allowance to government's employees is out of option. Therefore, incentives for instance in the forms of study tour to gain better knowledge, adding more resources to the operation component of the reform (in Indonesia, all meetings related to the reform are organized in a hotel as a reward to the staff) and post promotions could be considered.

- Distribution of necessary means (e.g. the remaining motorbikes and other office equipments) and allocation of the already going-down operation budget as a contribution to all D/M/K for their day-to-day functioning and support to C/S;
- Allocations of a minimum position for D/M/K to engage qualified and competent personnel through honoraria contracts under direct supervision. Throughout recruitment process, NCDD-S will guide SNAs to ensure and create conducive work's opportunities and environment for women.

As a consequence from undertaking the above two priorities, support that has been offered at provincial and national levels will have to be further decreased given a lower 2014 IP3 support budget contributed by the DPs.

2014 TAs

TA has been and will always be valuable asset of the reform program in 2014 that is the final year to achieve IP3 intended focus and undeliverable outputs. Presently, there are about 350 national advisors deployed at national, provincial and D/M/K levels (as for D/M/K, one advisor each) and about 80 coaches/mentors to support the P/C and D/M/K councils. In addition to this, 5-6 international advisors are acquired at the national level. Given that TA funding has become smaller and that priorities must be given to D/M/K, "painful" changes are required.

First, TAs functions in terms of "capacity substitution and fiduciary mechanisms" will gradually be alleviated and immediately replaced by national and sub-national civil servants and/or contracted personnel. This will be implemented through careful review of TA's performance and elimination of some posts "vacanted/freed up" by out-going TAs. NCDD-S will also ensure that female TAs are not affected by this TA-scaling down exercise.

Second, changes will be made to materialize the intended focus and expected outputs of IP3 which are to develop capacities of D/M towards becoming "autonomous" SNA. In this direction (and moving away from being a fiduciary/safeguard position), TA's needs are mobilized for:

- Policy and legal instrument development to (i) supporting and enabling the exercise of local autonomy and regulatory oversight and (ii) widening the scope of the reforms;
- Promotion of local good governance principles;
- Support to the promotion of local initiatives and dissemination and awareness raising (advertisement) for D&D reform;
- Responses to different capacity needs of SNAs;¹⁴
- 1-time capacity development when it concerns with trainings;
- Development of oversight and legality control frameworks and RBM systems;
-

4.2. Formulation Process of IP3 Next Phase

Despite that IP3 document is very comprehensive and elaborative, limited understanding on the substance was quoted as another reason for not delivering the intended outputs timely.¹⁵ Along with this argument, the respective sub-programs recognized that the sense of ownership for the reform program had been limp. From the review and planning sessions conducted with all IAs, there are at least two levels of ownerships. Level one concern with the SP IAs (as well as the Ministry's D&D Working Group) and the other lies with the respective institutions.

¹⁴ For illustration purpose: In a more urbanized locality where are capable staff for planning, financing and day-to-day operations, TAs are required to build SNAs (in this case; D/M/K and C/S) political capacities to understand their space or jurisdiction of decision-making (and constraints), negotiate with higher tiers of government for important functions such as trash and public asset & space management and social capacities to engage their constituents meaningfully

¹⁵ This was true for SP2 and 4

The formulation process of IP3 next phase will need to be adjusted differently from the previous one given that these two levels of ownerships of the plans are a prerequisite. In practice, discussions and approval of the plans will have to be carried out and sought for from both levels.

NCDD-S will kick off discussions on process to formulate this next phase IP3 as soon as this 2014 IP3 extension is supported, adopted and disseminated for implementation. Concretely, the Technical Working Group (TWG) on Sub-National Democratic Development will have to meet, explore options and define for the formulation work before the end of this year, so that the formulation process will be carried out from early 2014. It is foreseen that the process will involve in-depth discussions and approvals by all key actors. External and independent facilitator(s) and TAs will be mobilized.

5. MONITORING AND EVALUATION

The IP3 has collected a large amount of data, including information on program implementation, governance and service delivery satisfaction, D/M/K capacity, C/S project implementation and social service data, C/S socio-economic data, the identification of issues and constraints to program implementation, staffing levels (gender disaggregated), and periodic impact evaluations. A majority of this information is publically available on the NCDD website.

Despite the availability of information, (the “M&E”) challenges exist, particularly in terms of use of the information by decision makers. These challenges are: (i) performance managements systems require strengthening, (ii) policy monitoring and evaluation processes, including the use of evidence in policy development, need to be developed and implemented, (iii) compliance inspection and audit processes need to be developed and implemented, and (iv) existing MIS systems need to be rationalized and simplified. These issues touch upon M&E but are not “purely” M&E; each involves actions of multiple stakeholders, organizations, or divisions.

Performance managements systems

Performance management is a process by which an organization identifies its goals and priorities and then goes about ensuring they are met. It starts with targets and works backwards from them in the development of activities. Fifteen SMART targets were developed as part of the IP3 development, the NSDP process, and milestones are identified on an annual basis. The NAD is capable of storing all this performance information. However, in order to strengthen performance management several steps will be carried out including: (i) defining and strengthening NCDD’s role and capacity in managing for results, (ii) developing and implementing more regular meetings, dialogues and forums around milestones, targets and outputs, (iii) promoting a culture of learning, acceptance and debate around “failure” and transparency, and (iv) publically committing to a clear set of measurable targets. NCDD through its four Sub Committees will ensure implementers meet these targets through periodic reports and its ordinary and unordinary meetings. NCDD-S with respective SP’s IAs will support NCDD Sub Committees to get functional, starting with the development of work plan and clear meeting schedule, and carrying IP3’s implementation oversight functions.

Policy monitoring and evaluation

A draft manual on policy monitoring and evaluation has been developed. It includes a framework for measuring SNA autonomy, policy reviews and satisfactory surveys, thematic reviews, clearer monitoring procedures in the formulation of policy instruments, and impact evaluation. NCDD-S through its M&E and Information Division will finalize this draft manual and roll it out for implementation in 2014.

Compliance inspection and audit processes

Though M&E can provide a supporting, technical role in the development of systematic compliance and oversight procedures the lead is expected to be taken by MOI, MEF, and SSCS. A concept note describing the process and possible options for institutional arrangements was developed during 2012. Compliance data is an essential monitoring tool to gauge the degree to which policies and legal instruments are being implemented; compliance indicators, including financial and procurement data and project inspection, appear prominently in the IP3 results framework which will be utilized for “oversight and legality controls” by respective ministries and agencies under the overall coordination of SP2 (as it is the expected output under SP2).

MIS systems

During IP3 implementation process, large number of systems and large volume of data available were developed slowly over time. Inevitably, some of these systems have gaps while some potentially overlap. NCDD-S with SP5 (MOP) will discuss and clarify roles to address the issue of system sustainability aiming to developing a rationalized and simplified MIS system in 2014.

6. CAPACITY DEVELOPMENT

Described by IP3, capacity development is a process to develop individual capacity to perform their work, organization capacity to function as effective organizations and the capacity to develop/apply the enabling framework that provides incentives in support of sub-national administrations to achieve their mandates. In 2014, priorities to advance this process for capacity development will further be concentrated. In practice, efforts will be place at both levels of administrations:

At NCDD-S and central ministries/agencies level, capacity will be sharpened to develop policy and regulatory framework enabling and facilitating the development of SNAs, especially D/M’s capacities to become “autonomous” institutions for both local governance and local development through enhanced partnership with communes and Sangkat’s councils. Capacity development for central ministries/agencies and respective personnel require effective and built-in dialogues amongst all key actors to promote an in-depth understanding on the visions and goals of sub-national democratic development as contribution to the RGC’s efforts towards poverty’s alleviation and improved people’s quality of life. As part of awareness raising activities, NCDD-S will work closely with and provide incentives to all SP’s IAs and Ministry’s D&D Working Groups to carry out internal discussions on D&D reform. In case of necessity, NCDD-S will invite D&D experts in and outside the countries to provide and share experiences on this theme.

Sub-national/D&D reform requires national ministries/agencies to change their approaches of handling business. 2014 will be devoted for the national level to shift their focus from administrative control to “oversight and legality control” allowing for local ideas and initiatives to grow. This requires both organisational change and capacity. NCDD-S will mobilize all possible resources and technical support to accommodate this shift of national-sub national relationship.

At sub-national level with a focus on D/M, a “learning-by-doing” process of capacity development will further be enhanced in 2014. Nevertheless, the notion of “learning-by-doing” will be promoted to aim for expediting the achievement of results (and not as a reason to slowdown the implementation). SNAs will be encouraged to undertake and learn from local “successful” initiatives which are contributing to the betterment of living conditions of the people, especially the disadvantaged ones. Good local government practices (GLGP) will be utilized as capacity development tools and recorded systematically in NCDD-S/LGA knowledge network. Replication of GLGP will be promoted and accommodated for scaling-up impact and as part of national capacity development/advocacy strategy for policy, regulation development and/or de-regulation.

Promoting local initiatives/champions and learning from them is different from the “usual” capacity development program via training. It requires a process to map out those initiatives; digest, assess & design them as compared with own political, geographical, institutional and individual situations and capacities; study visits & coaching by experienced hosts; and support through partnerships. NCDD-S with all national partners will create national mechanisms to promote, enable and monitor this process of SNA’s capacity development.

While introducing new approaches of capacity development in an effort to contribute to the achievement of IP3 intended results, cascade and based-on need trainings remain a priority in 2014. As mentioned in SP’s priority’s lists (Section 3), there are specific policy, regulation, guideline and manual rolling out activities to be carried out. NCDD-S will work with all SP’s IAs to deliver this planned training program to respond to SNA’s needs.

While removing fiduciary/safeguard burden from TAs, coaching will remain a major role of 2014 TAs who will adjust their working style and focus according to different needs of SNAs with a great emphasis on D/M/K. Furthermore, coaching will be in accordance to different roles of SNA’s council and executive branches and shifted its special focus to promote democratic and social accountabilities (i.e. to build SNA’s political and social capacities). This may require a set of different, but appropriate knowledge and skills of TAs.

Contributing to the effort for building operational capacities of D/M/, forty office constructions with appropriate facilities will be provided under the newly approved RGC-ADB loan project¹⁶. Together with NCDD-S’ allocations of additional operation means and budget to engage qualified personnel through honoraria contracts, SNAs will steadily become functional and effectively undertake mandates for both local governance and local development.

7. GENDER

2014 Priorities in terms of IP3 Gender Strategy (IP3 Appendix 3) will remain in two areas; (1) gender mainstreaming; and (2) women’s empowerment.

7.1. Gender Mainstreaming

Gender mainstreaming priority will be carried out through incorporation into drafts of relevant key policies, laws, legal regulations, guidelines and training materials from a gender perspective. For the already-adopted key policies, laws, legal regulations, guidelines and training materials, careful reviews will be undertaken before recommendations for amendment could be made. This exercise will be implemented with close cooperation with experts from MOWA and NCDD-S Gender TAs.

At individual and institutional levels, NCDD-S and MOWA will continue to carry out regular mainstreaming sessions to promote gender equality and address both women’s and men’s issues, concerns and needs. Special attention will be given to activities aiming to promote active and quality participation of both women and men.

7.2. Women’s Empowerment

Concrete priorities will be concentrated: (1) provision of opportunity for women to be employed at national and sub-national IP3 IAs, working as both TA and contracted personnel. Furthermore, NCDD-S will take actions towards giving “quota” for “decision-making” positions to women at NCDD-S and all SP’s IAs. Women-friendly facilities will be ensured, and if needed, are to be put in place.

¹⁶ The Decentralized Public Service and Financial Management Sector Development Program

Expecting that the draft policy on gender-responsive budgeting is adopted by NCDD in 2013, next year's priorities will be to ensure the compliance by SNAs, and "hard" budgets are allocated to women-focused initiatives and activities. NCDD-S together with MOWA will carry out monitoring activities and backstop SNAs as needed.

8. PROGRAM COSTS AND FUNDING

The original IP3 Costs were calculated based on two broad categories: (1) costs for capacity development (CD), program administration (PA) and technical assistance (TA); and (2) financial assistance (FA) to be provided to all levels of Sub-National Administrations under various fiscal transfers' mechanisms. It should be noted that the "category 1" costs are critical for development and rolling out systems, guidelines and detailed procedures to accommodate and safeguard the utilization of "category 2" and other associated "stand-alone" project fund.¹⁷

8.1. IP3 Costs for CD, PA and TA & Staff Associated Costs – IP3 Basket Fund

The below table reflects expenditures against budgets of IP3 2011-2013 AWPBs. As shown, there have been lower deliveries, particularly for 2011. A primary reason for about 45% undeliverable in 2011 was the 6-month late kick-off implementation of IP3. In 2012, high figures of TA and Staff's costs were partly added up by POC.

COMPONENTS	2011			2012			2013 (Jan-Jun)		
	Budget	Expenditure	%	Budget	Expenditure	%	Budget	Expenditure	%
A. Program Associated Activities	\$11,866,868.00	\$4,936,351.00	42%	\$9,774,048.14	\$7,701,157.00	79%	\$3,315,959.00	\$469,032.00	14%
B. TA and Staff Costs	\$4,406,581.00	\$2,345,482.00	53%	\$8,035,127.00	\$7,450,498.59	93%	\$5,933,621.00	\$2,822,310.00	48%
C. Operations Costs	\$2,519,534.00	\$2,250,068.00	89%	\$2,928,168.00	\$2,667,599.00	91%	\$2,633,783.00	\$1,113,372.00	42%
D. Procurement	\$2,635,729.00	\$2,055,750.00	78%	\$564,043.00	\$511,951.00	91%	\$99,802.00	\$9,646.00	10%
TOTAL	\$21,428,712.00	\$11,587,651.00	54%	\$21,301,386.14	\$18,331,205.59	86%	\$11,983,165.00	\$4,414,360.00	37%

8.2. SNA's Transfers

Under IP3, SNA's transfer estimates were calculated at about USD450 million for three years, 2011-2013, 89% (or about USD400 million) of which would come from RGC and the remaining 11% (or USD50 million) would come from DPs.

The actual transfers are shown in the below table:

8.3. Other Associated (Stand-Alone) Projects

...

8.4. 2014 IP3 Costs and Funding (Basket Fund)

¹⁷ As told by former DG of local administration of Indonesia's MOHA, government's allocation to this category (to a body similar to NCDD-S) had never been less than USD30 million/year

Category	2013	2014	Change
Activities	3,315,959	3,400,000	84,041
TA/Staff	5,933,621	5,365,526	-568,095
Operations	2,633,783	2,600,000	-33,783
Procurement	99,802	100,000	198
Total	11,983,165	11,465,526	-517,639

Source of Funding

EU:

Sweden:

SDC:

Others:

9. ASSUMPTIONS AND RISKS

At the moment of this IP3 2014 extension formulation, a majority of assumptions listed in Section 11 of 2011-2013 IP3 remain valid, with very few eliminated and some assessments of risks differed, requiring differently concerted actions to mitigate them. Here are assumptions with slight change of overall assessments and different actions:

Updated List of Assumptions

Assumption ¹⁸	Impact	Likelihood	Implication and mitigation	Risk
Policy Development Assumptions				
1. NCCD-S's role on policy development & coordination – still valid	High	High	Still valid	Low
2. A clear distinction is made between the roles of NCCD-S and core Ministries	High	Medium-High	In addition to similar implementing agreements for all SPs, SP-management will be fully supported by NCDD-S and NCDD Sub Committees to focus on goals, objectives and outputs of IP3 through internal dialogues with own ministries/agencies on the reform.	Low-Medium
3. NCDD-S ability to develop policies - still valid	High	Medium	Still valid	Medium
4. Harmonisation with other policy reforms, such as PAR and PFM	High	Medium-Low	After incentive schemes have been eliminated, there is no conflict in terms of staff's remuneration, but of centralistic and decentralistic ideologies. NCCD-S will continue to engage with these Programs through high level seminars and dialogues.	Medium
Assumptions Related to the Role of Ministries				
1. Autonomy of SNA accepted- still valid	High	Medium	Still valid	Medium-High
2. Ministries capacity to support and legality control – still valid	High	Low	Still valid	High

¹⁸ Refer to Section 11 of IP3 for full assumption statements

3. Government systems utilized – still valid	High	High	Still valid	Medium
4. SNA systems are developed in consultative and participatory process	High	Medium-High	'SNA Operational Manual' in place in 2014; a). Council functioning b). D/M/K Roles and Responsibilities c). Compliance system d). Admin. & Financial Mgt. Systems	Low-medium
5. The capacity of NAA – still valid	High	High	Still valid	High
6. Functional re-assignment – still valid	High	Medium	Still valid	High
Assumptions Regarding SNA Systems and Functioning				
1. SNAs legitimacy – still valid	High	Medium	Still valid	Medium
2. SNA's authority and accountability – still valid	High	Medium	Still valid	Medium
3. Elected Councilors are able to work together	High	Medium-high	There have been smooth & calm working environment	Medium-low
4. transparency arrangement – still valid	High	Medium	Still valid	Medium
5. Civil society, CSOs, the media and academia involvement – still valid	High	Medium-Low	Still valid while codes and/or law on access to information will contribute for an improvement	Medium low
6. SN council associations	Medium	High	Formed in 2013 and 2014	Low-no more risk
Assumptions Regarding Staffing and Funding				
1. Incentive schemes	High	High	Actions: - commitment to raise the level of salaries; - engagement of qualified and competent personnel through honoraria contracts	Medium-High
2. national advisers and contract staff – still valid	High	Low	Still valid	High
3. A DM Fund is established				eliminated
4. SNA (SNIF) – still valid	High	Medium	Kick off in 2014	Medium
Assumptions Relating to Program Design				
1. geographic coverage and phasing is realistic – still valid	High	Low	Still valid	High
2. Support from DPs – still valid	High	High	Through TWG on SNDD, NCDD-S will mobilize adequate resources for 2014 and beyond	Low-medium

Annexes

SP1 2014 Priorities against IP3 expected outputs/deliverables (submitted by NCDD-S)

IP3 Component/Objectives/Expected Outputs/Deliverables	2014 Priorities
1.1. Developing the Regulatory Framework of the D&D Reforms	
1.1.1. All regulations required by the Organic Law are issued and aligned	
1.1.1.1. Anukrets (see list in appendix 1.1 of SP1) 1.1.1.2. Prakas (see list in appendix 1.1 of SP1) 1.1.1.3. Map identifying priority legislation and regulations to be aligned with the OL 1.1.1.4. Key legislation aligned 1.1.1.5. Key legislation for intra administration cooperation.	<ul style="list-style-type: none"> • Prepare minimum guideline to allow D,M,K on local resources mobilization to manage and resolve issues related for instance to urban environment, NRM, development and maintenance of local infrastructure etc. • Prepare relevant legal instrument called for by the organic law, especially on sources of revenues, finance and asset management, Human Resources Management (separate statute for sub national personnel management), Local Economic Development and Service Deliveries
1.1.2. NCDD-S capacity to support D&D policy development is strengthened	
1.1.2.1. NCDD resolution setting policy development process and institutions, adopted 1.1.2.2. Organizational Chart of NCDD-S revised and adopted 1.1.2.3. All staff of the Policy Division (PD) of NCDD-S recruited 1.1.2.4. NCDD-S Staff/Advisors incorporated to WG of the NCDD Sub-Committees	<ul style="list-style-type: none"> • Conduct regular meeting with concerned ministries and institutions • Conduct capacity needs assessment of each individual division of NCDD-S, if needed, recruit and second NCDD-S Staff in order to support NCDD sub committees
1.1.3. Options for set up of a National Institute for SNA (NI-SNA)	
1.1.3.1. Policy and Technical Options paper on establishment of the NI-SNA	The responsibility has been shifted to SP2
1.2. Advancing Sector Decentralization Reforms and Functional Reassignment	
1.2.1. RGC-wide consensus is reached on process for reassigning functions	
1.2.1.1. Policy paper outlining the scope, modalities, resources and timeframe for systematic functional review process, developed by the NCDD-Secretariat and cleared by the NCDD	During the implementation of FA sub-decree and guideline: <ul style="list-style-type: none"> • Encourage the implementation of general mandate of sub national administration by using unconditional fund and local resources
1.2.2. Implementation Plans for functional reassignments are developed	
1.2.2.1. Sector Studies carried out for priority sectors 1.2.2.2. Sector-specific Functional Reassignment Implementation Plans (FRIP) adopted by NCDD	With available studies on health and education sectors: <ul style="list-style-type: none"> • Transfer a number of function of the concerned ministries of at least these two prioritised sectors • Mobilize technical and financial resources to support concerned ministries in functional transfer • Mobilize resources to support study and consolidate lessons learned related to functional transfer
1.2.3. Contractual delegation arrangements at DM level are piloted and evaluated	
1.2.3.1. Studies and contract documentation for delegation of functions to DM 1.2.3.2. Pilot “contractual delegation” arrangements for services delivery by DM implemented and evaluated	

1.2.4. Set of permissive functions are assigned on a pilot basis to CS and supported by <u>Conditional Grants mechanisms</u>	
1.2.4.1. Study on “permissible functions” immediately transferable to CS 1.2.4.2. Pilot conditional transfers mechanisms to support “permissive functions” implemented in selected CS	<p>During the implementation of FA sub-decree and guideline:</p> <ul style="list-style-type: none"> • Encourage the implementation of <u>general mandate of sub national administration by using unconditional fund and local resources</u> • Encourage for establishment of fund transfers mechanisms such as “ SNIF”
1.3. Strengthening capacity for Program coordination, management and monitoring	
1.3.1. NCDD-S capacity to manage the NP-SNDD is developed	
1.3.1.1. All staff of the Program Support Division (PSD) of NCDD-S recruited 1.3.1.2. Signed Implementation agreements between NCDD and implementing partners 1.3.1.3. NP/IP3 AWPB (both National and Provincial) approved by NCDD 1.3.1.4. Sub-national network of NCDD-S managed National Program Advisers (NPA) trained and deployed 1.3.1.5. NP/IP3 Monitoring and Evaluation System set up and operating	<ul style="list-style-type: none"> • Continue to disseminate (influence) and support to concerned ministries on functional transfer • Continue to sign agreements with IP3 implementation agencies • Analyse and determine on the real needs of D,M,K based on the study on D,M,K capacity carried out in 2011 (This work is to be implemented in 2013) • Redirect, recruit and deploy advisors at D,M,K level based on real needs (for example, redirect TA according to political, operational and social capacity needs of D,M,K, especially in the response to achieve expected outputs of SP1b) • Conduct capacity needs assessment of each individual division of NCDD-S, if needed, recruit and second NCDD-S Staff in order to support NCDD Sub Committees and NCDD-S
1.3.2. A SNA performance monitoring system (SNA-PMS) is established (as part of an integrated sub-national Data Management System)	
1.3.2.1. A regional study tour to observe existing SN authorities’ performance monitoring systems is realized by NCDD-S, MOI, MOP, MEF staff. 1.3.2.2. A SNA performance monitoring system is developed and managed by NCDD-S 1.3.2.3. SNA-PMS Training materials developed 1.3.2.4. NCDD-S and SNA staff trained in operating the SNA-PMS 1.3.2.5. A policy options paper is produced on the establishment of a system and institution for monitoring the performance of SNA.	<ul style="list-style-type: none"> • Develop and establish M&E system (Result-based Management) at IP3 focus and expected out puts level • Report to RGC regularly on progresses and challenges of D&D reform program (every six months) for in-time interventions • Develop and encourage for implementation of M&E system focusing on legality check and implementation of issued legal instruments, moving away from the present administrative control mode • Provide clear guidance to M&E divisions, units and concerned ministries on these new ways of M&E and legality check • Coordinate with concerned ministries and institutions in establishment of SNA legality check mechanisms

SP1b 2014 Priorities against IP3 expected outputs/deliverables (submitted by respective SP)

IP3 Expected Outputs/Deliverables	2014 Priorities
<p>Develop the system for Council decision-making, civic engagement and oversight of administration</p> <ul style="list-style-type: none"> • Protoype of council system defined • Formative evaluation sites, leading to a revised system and guidelines • Capacity-development materials and guidelines prepared 	<ul style="list-style-type: none"> • Dissemination on vision and importance of new lines of accountabilities and how to practice new lines of accountabilities, how political deliberations are conducted... • Clear Definition of SNA, council's jurisdiction of decision-making, roles and constraints • Documentation and replication on "good practices" for SNA political deliberation practices
<p>Provide a coaching and mentoring service to newly formed DMK Councils and CS Councils:</p> <ul style="list-style-type: none"> • Coaches/mentors supporting DMK Councils (initially, using a "push approach"; then, "on-demand" approach by the end of IP3) • Staff at Provincial level, supervising and backstopping front line coaches/mentors, and liaising with other Capacity development activities based at the Provincial level. 	<ul style="list-style-type: none"> • Redirection and redeployment of advisors at D,M,K level based on real needs (for example, redirect TA according to political, operational and social capacity needs of D,M,K) • Promotion and encouragement for D, M, K as well as commune and Sangkat Administrations to conduct public forum and consultative forum with citizens • Rolling out the implementation of social accountability strategic plan • Encouragement and support to SNAs for incorporation/allocation of their budget for social accountability practices

SP2 2014 Priorities against IP3 expected outputs/deliverables

Component/Objective/Expected Outputs	2014 Priorities
2.1. Setting up and staffing SNA	
2.1.1. Develop SNA structures starting with Districts and Municipalities	
2.1.1.2. Provincial SNA fully staffed	<ul style="list-style-type: none"> • Review of the implementation of Sub-Decree 215 and 216 to adjust roles and responsibilities of SNA divisions and offices to better respond to the needs of individual SNAs
2.1.4.1. HR strategy for SNA Staff developed	<ul style="list-style-type: none"> • Development of guidance on fulfilment of "vacant" staff position, implementation of replacement, appointment and re-deployment of SNA personnel
2.1.4.2. Staff Assessment system designed	<ul style="list-style-type: none"> • Dissemination and rolling out of Human Resources Management & Development policy (in close cooperation with SP3) • Finalization of SNA Staff Performance Guidelines and Rolling Out (in close cooperation with SP3)
2.1.5. Draft a new statute for personnel of SNAs, as required by the Organic Law and aligned with NPAR	
2.1.1.3. Draft Civil service statute prepared for SNAs	Finalization of HR statute for personnel of SNAs, as required by the Organic Law, and dissemination for implementation (in close cooperation with SP3)
2.2. Institutional and staff capacity development of SNAs	
2.2.1. Develop a system of administration for DMs covering Administration, HR, financial management and procurement; planning; CS support	
2.2.1.1 An 'SNA Operational Manual', covering all aspects of SNA functioning, developed and approved	<p>Development of Manuals, Training Materials and Provision of Training</p> <ul style="list-style-type: none"> - Development of "SNA Operational Manual", covering all aspects of SNA functioning has been one of the key expected outputs of SP2, will be kicked off with a study on on "general mandate" functions of different tiers of SNAs

	<p>and identification of D/ M/K functions</p> <ul style="list-style-type: none"> - Finalization of Manual and Rolling out Training on D/M/K Roles and Responsibilities are also proposed in the pipeline after identification of D/M/K clear “general mandate” functions. - Finalization of D/M/K Technical Manual and Rolling Out Training on Social Services are another important output of this component
2.2.2.Prepare a capacity development program to for SNA human resources	
2.2.2.2. Initial package of materials related to the overview of the Organic Law, the IP3 and proposed programs prepared (with NCCD-S, see Sub-program 1).	In close cooperation with other SPs, development of necessary training materials and rolling out trainings
2.2.2.4. Preparation of associated materials to assist CD activities	
2.2.4.Prepare a program to implement the CD strategy for DMs	
2.2.4.1. Work program for each DM in place and implemented	<ul style="list-style-type: none"> • Monitoring and Backstopping on OD Manual Compliances and Implementation of SNA OP Intervention Plans • Provision of Training Support to SNAs based on Needs
2.2.4.3.CD interventions are (increasingly) based on identified needs found in CD assessments of each DM	
2.2.4.4.The relationship between Provincial CD Facilitator Teams and each SNA becoming one of support and on-going learning.	
2.2.5. Prepare and implement a provincial level CD program to support DM's capacity development programs	
2.2.5.1.CD programs for each DM supporte	Continuation
2.2.5.2.CD programemes for Provinces prepared and implemented	
2.3.Oversight and legality controls	
2.3.1. Design, pilot and implement compliance inspection routines	
2.3.1.4.Joint (MOI/MEF) inspections of all DMs completed annually	<ul style="list-style-type: none"> • Before implementation of compliance inspection routines and implementation of management standards and capacity assessments could be properly carried out, there is a need for development of framework for oversight and regulation in 2014. • Joint (MOI/MEF) inspections of all DMs will remain as IP3 expected output in 2014. • Development of policy options for participation in review and appeals processes and conflict resolution mechanisms (in close cooperation with SP1)
2.4. Improve SNA system operating conditions	
2.4.1. Construct or refurbish SNA offices and staff facilities and equipment	
2.4.1.1.Construct/refurbish Salakrong and Salasrok offices	Constructions of (40) D/M standardized Offices and Provision of necessary equipments will be kicked-off as from 2014 (under ADB new Loan)

SP4' 2014 Priorities against IP3 expected outputs/deliverables (submitted by respective SP)

Component/Objectives	2014 Priorities
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Component/Objectives	2014 Priorities
4.1. Policy and legal framework for SNA Financing Mechanisms	
IP3 Objectives: 4.1.1. – 4.1.8.	<p>SP2/MEF will further develop, finalize and formalize the following:</p> <ul style="list-style-type: none"> • Establishment and rolling out “pilot” a Project-Financing Facility for SNA “SNIF” • Establishment and rolling out “pilot” purpose-specific grant mechanisms (conditional transfers) • Policy paper on SNA potential own-source revenue sources • Regulation(s) on SNA non-tax shared revenues • Improved (formula-based) modalities for financing the provincial budget
4.2. SNA financial management and financial accountability systems and procedures	
IP3 Objectives: 4.2.4. – 4.2.4.	<ul style="list-style-type: none"> • Further development of regulations and guidelines to implement the Law on SN Finance Regime and Asset Management with special focus on SNA properties • Establishment of SNA internal audit function as part of overall financial accountability framework • Finalization of policy on Gender Responsive Budgeting (GRB) and rolling out
4.3. SNA capacity for (a) financial management and (b) financial accountability	
IP3 Objectives: 4.3.1. – 4.3.2.	<ul style="list-style-type: none"> • Development of curricula packages, including user-friendly handbooks covering core competencies and key capacities for SNA financial managers and professionals • Further strengthening of provincial treasury branches and carrying out study on options to establish DM-level treasury branches • Capacity development on financial management for SNA structures (Council, Board of Governors, Administration)
4.4. Central institutions capacity for support and control	
IP3 Objectives: 4.4.1. – 4.4.2.	<p>SP4’s focus in 2014 is on:</p> <ul style="list-style-type: none"> • MEF capacity to support SNA and monitor their financial management performance; and • Capacity of the National Audit Authority (NAA) to audit SNAs’ financial performance

SP3 2014 Priorities against IP3 expected outputs/deliverables (submitted by respective SP)

Component/Objective/Outputs	2014 Priorities
3.1. Transitional arrangements for SNAs Human Resources management	
3.1.1. To develop transitional arrangements for management of staff assigned to SNAs	
3.1.1.1. Develop legal framework for management of SNA personnel until the civil service statute for SNA personnel is issued	<ul style="list-style-type: none"> - Rolling out and Enforcement for implementation compliances of Sub-Decrees on Delegation of Authority to SNAs to Appoint, Replace and Terminate Personnel’s Services Being Rendered at Sub-National Level and on Delegated Authority for all Kinds of Personnel Leaves from Works and Holidays - Development and rolling out of additional guidelines for effective implementation of the above sub-decrees - Assessment on the implementation of Sub-Decrees on Delegation of Authority to SNAs to Appoint, Replace and Terminate Personnel’s Services Being Rendered at Sub-National Level and on Delegated Authority for all Kinds of Personnel Leaves from Works and Holidays
3.1.1.2. Evaluate the transitional arrangement until the civil service statute for SNA personnel is issued	
3.2. Permanent Regulatory Framework for SNA Human Resources management	
3.3.1. Develop a Strategy for the management and development of SNA personnel	<ul style="list-style-type: none"> - Rolling out and Enforcement for implementations of the Strategy for SNA HR Management and Development and “new” Personnel Statute - Development of further required “Implementing regulations” to support the implementation of the “new” SNA Personnel Statute - Studies on options to establish SSCS support mechanisms for SNA HR Management and Development
3.3.2. Develop and issue new statute for SNAs personnel	
3.2.1.1. A strategy for the management and development of SNA human resources adopted	
3.2.2.2. Statute for SNA civil service in place	

SP5' 2014 Priorities against IP3 expected outputs/deliverables (submitted by respective SP)

Component/Objectives	2014 Priorities
5.1. Developing the Planning systems of SNA	
IP3 Objectives: 5.1.1. – 5.1.3	Reflection workshop on institutional roles in terms of: (1) planning policy formulation; (2) roles and responsibilities to conduct planning trainings for SNAs; and (3) support and strengthening SNA's development planning and investment programming focusing on social services, NRM and LED
5.1.4. Carry out research on SN "Spatial Development Frameworks"	Study on Development of SN "Spatial Development Frameworks"
5.1.5. Develop MIS supporting SN Planning systems	<ul style="list-style-type: none"> • Support to SNAs for data collection • Support to P/C for data utilization and dissemination • Training on data analysis
5.2. Developing SNA Planning Capacity	
5.2.1. – 5.2.2.	Continuation of capacity building activities on planning and investment programming for C/P and D/M/K
5.2.3. Evaluate Planning systems performance at all SNA levels	Evaluation of planning systems performances at all SNA levels (technical assistance required) to appropriate synchronize the 3-SNA tiers' planning processes

SP6' 2014 Priorities against IP3 expected outputs/deliverables (submitted by respective SP)

Component/Objectives/Expected Outputs	2014 Priorities
6.1. Development of an 'Association' of SNA Councils	
6.1.1. Establish/expand a new SNA Council Association(s) for Capital, Province and DMK and develop the mission, strategy, rules and policies of those Associations	
6.1.1.1. Revised/new statute and strategic plan 6.1.1.2. Revised structure, and personnel and HR plan	<ul style="list-style-type: none"> • Finalization of the new statute and development of new League Strategic Plan • Establishment of the National League and C/P Associations of D/M/K/C/S Councils
6.1.2. Explore ways of securing the financial sustainability of the Association(s)	
6.1.2.1. Increased contribution from members	Continuation of lobbying and advocating for increased membership fees and contribution
6.1.3. Build the internal management capacity and governance structure of the Association(s)	
6.1.3.1. Increased number of staff 6.1.3.2. Improved capacity of staff (via coaching, training, etc) 6.1.3.3. Capacity to take over management of long term mentoring service	<ul style="list-style-type: none"> • Establishment of support structures to the new Leagues and C/P Associations of D/M/K/C/S Councils • Recruitments and deployments of secretariat/support professionals and staff
6.1.4. Build the capacity of the Associations(s) to provide services to members	
6.1.4.1. Represent the voice of SNA Councils in system design 6.1.4.2. Provide legal services to members 6.1.4.3. Provide on-going support services D/M/K And C/S Councils	Continuation of: <ul style="list-style-type: none"> • Advocacy works to promote for deeper D&D reform • Provision of legal services and support to D/M/K And C/S Councils