

Sub Decree

on

The Implementation of Merit Based Performance Incentive

The Royal Government of Cambodia

- Having seen the Constitution of the Kingdom of Cambodia
- Having seen the Royal Decree No. 0704/124 dated July 15, 2004 on the appointment of the Royal Government of Cambodia
- Having seen the Royal Kram No 02/NS/94 dated July 20, 1994 promulgated the Law on the Organization and Functioning of the Council of Ministers
- Having seen the Royal Kram No. 06/NS/94 dated October 26, 1994 promulgated the Law on the Common Statute of Civil Servant of the Kingdom of Cambodia
- Having seen the Royal Decree No.1297/273 dated December 01, 1997 on the Common Principles of the Organization of the Civil Services
- Having seen the Royal Decree No.0904/284 dated September 27, 2004 on the Establishment of the Supreme Council of State Reform
- Having seen the Royal Decree No.1201/450 dated December 01, 2001 on the Base Salary and Supplement Allowance of Civil Servant
- Having seen the Sub Decree No. 83 dated August 13, 2002 on the Establishment and Implementation of the Priority Mission Group
- Referring to request of Chairman of the Council for Administration Reform

Decides

Chapter 1

General Provisions

Article 1.

This Sub Decree aims to set the principles for harmonized and consistent implementation of Merit Based Performance Incentive (MBPI) for civil servants who are working with projects of ministries and institutions financed by the Development Partners according to agreement between the Development Partners and the Royal Government of Cambodia.

Article 2.

MBPI is financial supplement in addition to the base salary and other allowances for civil servants who participate in management, implementation and provision of technical skills to the implementation of the strategic development priorities of ministries and institutions according to the agreement between the Development Partners and the Royal Government of Cambodia.

The strategic development priorities include Sector Wide Programs which may be funded by one or more Development Partners and can use separate accounts pooling funding or sector budget support.

Chapter 2

Major Principles

Article 3.

The implementation of MBPI shall follow the following major principles:

- MBPI is an instrument for implementing strategic priorities performed by officials who have highest qualification and limited number
- the implementation of MBPI shall be consistent with the public administration and salary systems
- MBPI shall not become salary policy in the future
- Conditionality of the Development Partners shall not affect unity, security and sustainability of the existing systems.

Article 4.

All positions supported by MBPI shall be consistent with the priority positions of the line ministry and institution.

Each position which is supported by MBPI shall have written job description, selection and transfer procedures based on work performance, transparency and qualifications.

Article 5.

Each official who are selected to work in the projects of MBPI schemes shall:

- have employment contracts on objectives, activities, quantitative and qualitative outputs, and mechanisms of monitoring and evaluation
- be evaluated at least once per year according to the procedures provided for within the contracts
- receive capacity development.

Chapter 3

Rates, Payments ad Support

Article 6.

The civil servants who are selected to work for projects of ministries and institutions financed by the Development Partner shall receive MBPI as follows:

– Director General	1,800,000 Riels
– Deputy Director General	1,480,000 Riels
– Department Director	1,280,000 Riels
– Deputy Department Director	1,080,000 Riels
– Administration Officer	1,000,000 Riels
– Bureau Chief	932,000 Riels
– Deputy Bureau Chief	836,000 Riels
– Kramka	772,000 Riels
– Secretary	452,000 Riels

MBPI for ranks of below deputy department director shall be included the existing salary of PMG financed by the Development Partners.

MBPI rates shall be regularly reviewed (annually) and changed if necessary.

Changes of levels of MBPI shall be made by the Sub Decree.

Article 7.

For the civil servants having special technical skills for receiving MBPI, their targets and levels of incentives shall be determined by separate provisions.

Other positions receiving MBPI which are not stipulated in Article 6 shall be determined equal ranks to the positions provided for in the Article 6 and the Memorandum of Understanding.

Article 8.

Administration officials at the sub national levels shall receive the same rates of MBPI for the same positions.

Article 9.

MBPI shall be transferred directly into personal account of each official by using banking system.

Article 10.

Each ministry and institution that initiates the MBPI scheme shall ensure the Development Partners transfer existing funds for salary supplement to support the implementation of the MBPI scheme.

Article 11.

The Memorandum of Understanding on support of the MBPI scheme between ministries and institutions of the Royal Government and the Development Partners shall include the initial budget of the Development Partners equivalent to not more than ninety percent (90%) in the first year and this amount shall be gradually reduced of five percent (5%) over the life of the individual MBPI scheme.

The Royal Government shall co-finance the MBPI scheme within the framework of counterpart fund of the Royal Government.

Article 12.

Schemes of salary supplement, over time or new contractual arrangement for the civil servants which are a part of programs or projects of the Development Partners shall not allow to remain outside of the MBPI scheme.

Chapter 4

Approval Procedure

Article 13.

For procedures for approval of the MBPI scheme, ministries and institutions shall begin by submitting proposals to the Council of Ministers that has General Secretariat of the Council for Administration Reform as secretariat and the Ministry of Economy and Finance.

Proposals shall briefly demonstrate linkages between objectives of the proposed MBPI schemes, the strategic development priorities of ministries and institutions and objectives and support programs of the Development Partners by providing figures indicating number of positions and costs and shall summarize the procedures for monitoring and evaluation.

Article 14.

After obtaining approval of the proposals in principle provided for in above article 13, a form of Memorandum of Understanding shall be developed by concerned parties with attachment of manuals for the implementation of the schemes approved by the line Ministry or Institution.

Departure from the principles and procedures which are stipulated in the general manual shall need to be specifically justified.

Comprehensive manuals shall be developed by each Ministry or Institution that implements the MBPI schemes by indicating in detail procedures for the implementation.

Chapter 5

Conditionality for Implementation

Article 15.

Number of positions of the MBPI schemes shall be limited to those core positions for achieving the strategic priorities of each Ministry or Institution.

Article 16.

Ministries or institutions obtaining approvals of the MBPI schemes shall be responsible for implementing the schemes in accordance with the Memorandum of Understanding and approved manuals.

The Council of Ministers that has the General Secretariat of the Council for Administration Reform as the secretariat shall be responsible for approving the schemes, coordinating, and monitoring the implementation of the MBPI schemes.

All ministries and institutions that implement the MPBI schemes shall prepare technical reports to the Council of Ministers that has the General Secretariat of the Council for Administration Reform as secretariat and report of expenditure to the Ministry of Economy and Finance.

Article 17.

Transfer of officials who receive MBPI shall be made with transparency and maintained the same number of officials through Prakas of the line ministers or directors and shall copy for the Council of Ministers.

Article 18.

Uses of the MBPI schemes shall be ended when finance from the Development Partners is finished or projects are ended.

Chapter 6

Transitional Provisions

Article 19.

All salary supplement schemes of the Development Partners inconsistent with provisions of this Sub Decree shall be ended or transferred budget into the MBPI schemes which are prepared according to the provisions of this Sub Decree for not more than one year after this Sub Decree becomes effective.

Chapter 7

Final Provisions

Article 20.

The Sub Decree No. 98 dated August 05, 2005 on the implementation of MBPI and the Sub Decree No. 38 dated May 03, 2006 on amendment of the implementation of MBPI shall be abrogated.

Article 21.

Minister in charge of the Office of the Council of Ministers, Minister of Economy and Finance, Chairman of the Council for Administration Reform, Ministers and Secretaries of State of all Ministries and Institutions shall implement this Sub Decree from the date of execution.

Phnom Penh, date....., 2008

Prime Minister

SAMDECH AKKAK MOHA SENA PADEI TECHO HUN SEN

Proposed to the Prime Minister by

the Deputy Prime Minister and

Chairman of the Council of

Administration Reform

Sok An

CC:

- Ministry of Royal Palace
- General Secretariat of Constitutional Council
- General Secretariat of Senate
- General Secretariat of the National Assembly
- General Secretariat of the Royal Government
- Cabinet of Samdech Prime Minister
- General Secretariat of the Supreme Council of the State Reform
- As mentioned in Article 21
- The Royal Gazette
- Archives