2008

Effective Technical Cooperation for Capacity Development

Cambodia Case Study

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Joint Study on Effective TC for CD

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Part 1: Technical Cooperation for Capacity Development in Cambodia; Making the System Work Better

Part 2: Developing Health Sector Capacity in Cambodia: The Contribution of Technical Cooperation: Patterns, Challenges and Lessons

Joint Study on Effective TC for CD

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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AFD	Agence Francaise de Developpement
AOP	Annual Operational Plan
AusAID	Australian Agency for International Development
BMZ	German Federal Ministry for Economic Cooperation and Development
BTC	Belgium Technical Cooperation
CAR	Council for Administrative Reform
CCJAP	Cambodia Criminal Justice Assistance Project
CCM	Country Coordinating Mechanism
CD	Capacity Development
CDC	Council for the Development of Cambodia
CDRI	Cambodian Development Resource Institute
CENAT	National Centre for Tuberculosis & Leprosy Control
CIDA	Canadian International Development Agency
CRDB	Cambodian Rehabilitation and Development Board
CV	Curriculum Vitae
D&D	Decentralisation and Deconcentration
DAC	Development Assistance Committee of OECD
DANIDA	Danish International Development Assistance
DFID	Department for International Development
DGCD	Direction Generale de la Cooperation et Developpement
DIC	Department for International Cooperation (MoH)
DP	Development Partner
ECD	European Commission Delegation
ECDPM	European Centre for Development Policy Management
EFI	Economic and Finance Institute
FSF	Flexible Support Fund
GBS	General Budget Support
GDCC	Government-Development Partner Coordination Committee
GTZ	German Technical Cooperation Agency
H-A-R	Harmonisation, Alignment and Results (Action Plan of the RGC)
HRD	Human Resources Development
HSP	Health Strategic Plan

HSSP	Health Sector Support Project
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IMF	International Monetary Fund
JAPR	Joint Annual Performance Review
JICA	Japan International Cooperation Agency
JMI	Joint Monitoring Indicator
MBPI	Merit-Based Pay Initiative
MCH	Maternal and Child Health
MEDICAM	Membership Organisation for NGOs Active in Cambodia's Health Sector
MEF	Ministry of Economy and Finance
MOAFF	Ministry of Agriculture, Forestry and Fisheries
MOEYS	Ministry of Education, Youth and Sport
MOH	Ministry of Health
MoLMUPC	Ministry of Land Management, Urban Planning & Construction
MOP	Ministry of Planning
MOWRAM	Ministry of Water Resources and Meteorology
NCHADS	National Centre for HIV/AIDs, Dermatology & STD
NCHP	National Centre for Health Promotion
NGO	Non-Governmental Organisation
NIPH	National Institute for Public Health
NMCHC	National Maternal and Child Health Centre
OD	Operational District
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PAR	Public Administration Reform
PBA	Programme-Based Approach
PBSI	Performance Based Salary Incentive
PFM	Public Financial Management
PHD	Provincial Health Department
PIU	Project Implementation Unit
PMG	Priority Mission Group
RGC	Royal Government of Cambodia
RHAC	Reproductive Health Association of Cambodia
STD	Sexually Transmitted Disease
SWAP	Sector-Wide Approach

SWIM	Sector-Wide Management
TA	Technical Assistance
TB	Tuberculosis
TC	Technical Cooperation
TCAP	Technical Cooperation Assistance Programme
TOR	Terms of Reference
TWG	Technical Working Group
UNAIDS	United Nations Programme on HIV/AIDS
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children Fund
UNIFEM	United Nations Development Fund for Women
UNV	United Nations Volunteers
USAID	United States Agency for International Development
WB	World Bank
WFP	World Food Programme
WHO	World Health Organisation

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PART 1: TECHNICAL COOPERATION FOR CAPACITY DEVELOPMENT IN CAMBODIA; MAKING THE SYSTEM WORK BETTER

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Anthony Land and Peter Morgan

EXECUTIVE SUMMARY

1. INTRODUCTION

1.1. BACKGROUND

The Royal Government of Cambodia (RGC) and its development partners (DPs) continue to collaborate on improving aid effectiveness. Part of this effort has focused on the specific implications of the Paris Declaration for aid design and management in the Cambodian context. Part has been about more general improvements to the design, management and monitoring of technical cooperation (TC).

The perennial topics of TC in general and technical assistance personnel (TA) more specifically present particular challenges. Cambodia as an aid-dependent country with continuing gaps in capacity has received a high proportion of its development assistance in the form of TC. No serious effort at improving overall aid effectiveness can make much headway without addressing this issue. To do this, the Partnership and Harmonization Technical Working Group consisting of representatives of the RGC and DPs agreed to sponsor a review of TC in the Cambodian context. The TORs are attached at Annex 3. Two international consultants were engaged to work with the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia (CRDB/CDC) to bring an international perspective to the review that could supplement country analysis. This report sets out findings, conclusions and recommendations.

Readers need to keep in mind two points. First, TC as a development issue, has been a subject of ongoing analysis since the inception of modern development cooperation after the Second World War. A constant theme has been the search for ways to improve its development contribution and in particular, its effects on capacity development. Given these decades of prior work, this report is not likely to come up with dramatically new insights. As always, the challenge is one of implementation: to combine useful, albeit familiar, recommendations into a coherent way forward that can resonate in the particular context of Cambodia. Second, this report comes with a particular direction and set of limitations both of which were discussed first with H.E. Chhieng Yanara, Secretary-General, CRDB/CDC on behalf of the RGC and secondly with the sub-group of the Partnership and Harmonization Technical Working Group (TWG) set up to oversee this assignment.

The Report has five main sections: Section 1 is the introduction, Section 2 analyses the TA challenge in Cambodia. Section 3 deals with the nature of the development context in Cambodia. Section 4 addresses the TC system in Cambodia. Section 5 presents recommendations for action.

1.2. METHODOLOGY

Fieldwork was carried out over a three week period between Monday 8th October 2007 and Friday 26th October 2007. The consultants worked exclusively in Phnom Penh and met with a wide range of individual officials and groups mainly from the RGC and DPs. We began the assignment by participating in the 7th Government-Development Partner Coordination Committee (GDCC) meeting. We also met with the sub-group of the Partnership and Harmonisation TWG set up to oversee the study on Monday 15th October 2007 at which time we presented the inception report and programme of work. We presented our preliminary findings and recommendations to a special meeting of the full Partnership and Harmonisation TWG on Friday 26th October.

2. THE TC CHALLENGE IN CAMBODIA

2.1. AN ANALYSIS OF THE CHALLENGE

There appeared to be a pervasive sense within the RGC and the DPs that TC was not making a sufficient contribution to Cambodian development and in particular to the development of sustainable capacity. Interviewees offered a variety of diagnoses and reasons for this situation. All have an element of truth but taken individually, do not add up to a coherent and complete explanation of the reasons underlying the unsatisfactory performance of TC in Cambodia.

Almost without exception, those interviewed both on the RGC side and the DP side supported the view that TC as a development intervention could be made more effective. In particular, they believed it could do a better job of delivering the capacity results that all the participants said they wanted.

What matters a great deal is the way the TC system *as a system* behaves in Cambodia. Our assertion is that the way the deeper dynamics in the TC system come goes a long way to shape the TC outcomes as much as the actions of the individual actors.

This report therefore sees the TC challenge in Cambodia as the following.

How can the development community in Cambodia, both Government and development partners, collaborate more effectively to generate the desired outcomes for TC that both sides say they want?

2.2. A PERSPECTIVE ON CAPACITY DEVELOPMENT

The subject of capacity development comes with a huge variety of definitions, perspectives and approaches. Only a few participants in Cambodia seemed to offer, or be following, some kind of coherent, well-conceived strategy of capacity development that pulled together the ideas, efforts and resources going into an intervention and focused them on a shared process. Nor did many have a clear sense of what 'capacity' would actually look like when

developed. This capacity strategy 'gap' can be found in many countries and is not unique to Cambodia.

Some basic principles that underpin the concepts of capacity and capacity development used in this report are presented below. In so doing, we do not advocate a single definition or strategy that should be accepted by all the development actors in Cambodia. We do not see this as feasible or even necessary given the diversity of development actors. We see capacity development along the following lines:

- An 'end' of development interventions as well as a 'means', involving much more than putting in place the resources and techniques for better programme implementation. We are talking here about the process of developing the institutions, attitudes, organizations and capabilities for collective action that allow a country to shape its own development path.

- A complex process that takes place concurrently on different levels such as the individual, the organizational, the institutional, the sectoral, the regional and the national. Developments at each 'level' intersect in some way with all the others. In practice, capacity development is, in most cases, an attempt to change a complex system or systems. We thus see systems thinking as adding to our understanding about how capacity forms and evolves over time.

- A process of change. As such, it involves much more than technical, managerial or econocratic engineering. Issues to do with power and conflict, human psychology, social adaptation, financial resources, incentives and motivation interact to shape capacity outcomes. Many different approaches to change may be relevant.

- An intervention that needs the systematic thought and attention of all the participants in both the RGC and DPs. It may be a by-product in some instances but for the most part, it comes about through effort and intentionality.

- We look at capacity from three perspectives. Individuals can develop competencies. Organizations can improve their collective capabilities. And both of these aspects need to be combined in some coherent way to help induce an overall system capacity. Some key intangibles such as confidence, determination, ingenuity, imagination, pride, motivation, self-interest are key factors in both the condition of capacity and the process of its development. Cambodian ownership is also a critical factor given the fact that capacity development is, in the final analysis, a voluntary activity that cannot be imposed or carried out on behalf of others.

- We would add a point about timing. Many capacity development interventions require action in the short term. But others need sustained application over many years to make a real difference. Both the RGC and its DPs will need the capability for both short and long term collaboration to help make capacity development effective.

3. NATURE OF THE DEVELOPMENT CONTEXT IN CAMBODIA

3.1. GENERAL FACTORS

A good deal of the TC issues in Cambodia are similar to those found in other low-income countries, representing patterns of behaviour and development outcomes that the global aid business tends to reproduce in many situations. But Cambodia as a country has a unique set of contextual factors that are likely to shape any TC intervention. A key assumption is that any development solutions must be tailored and customized to respond to Cambodian conditions.

The following contextual issues are highlighted in the report: the influence of Cambodian history, the scale and timing of societal transitions, new drivers of change appearing, the rise of international best practice, the four development worlds of Cambodia including the informal and the patrimonial.

3.2. THE CONTEXT OF THE PUBLIC SERVICE

Cambodia faces many of the usual challenges to developing state capacity in a low-income country. But Cambodia's history since 1974 makes the challenge of state building that much more difficult, representing both a governance/political as well as a capacity development challenge.

Key issues identified in the report relate to the supply of human resources, the state of the education system, incentives and motivation, lack of demand-side pressures, power and interests, approach to public service reform.

4. THE TC SYSTEM IN CAMBODIA

4.1. HISTORY AND STRUCTURE

The history of the TC system in Cambodia influences its present behaviour. Most development partners arrived in large numbers and at around the same time in 1994. Few Cambodian officials had much experience in dealing with international donors and aid management. External direction, supply side interventions and Cambodian compliance thus characterized the first decade of TC and set a pattern that continues to this day.

The TC system comprises thousands of actors both individual and organizational in a variety of countries. This includes within Cambodia: RGC departments, consultants and contractors, embassies and development agencies. It also includes actors in other countries whose behaviour and decisions affect the workings of the TC system in Cambodia.

Most of the relationships amongst these actors are non-hierarchical. Activities depend on some sort of managed relationships, shared purpose and collective action to make TC interventions effective. And yet the varied interests, incentives, styles and policies of both

the RGC and its development partners make such collaboration difficult to achieve and to sustain.

The structure of the TC system and indeed most of the development assistance provided to Cambodia has fragmented into hundreds of projects, programmes and project implementation units (PIUs), a pattern that has lead to duplication, high transaction costs and a lower level of aid effectiveness. Not all of this fragmentation is dysfunctional but the diversity and lack of coordination beyond a certain point has not been productive.

As a response to this situation, the RGC and most of its development partners are trying to introduce more collaboration and coherence into the operation of the aid system. Specific changes include the use of sector-wide approaches (SWAPs), some budget support, pooling arrangements, and specific mechanisms to encourage joint action such as a series of technical working groups. Both the RGC and its development partners are making serious efforts to implement the provisions of the Paris Declaration where possible and appropriate.

4.2. THE BEHAVIOUR AND OUTCOMES OF THE CURRENT TC SYSTEM

Some broad patterns of system behaviour have shaped the outcomes of most TC interventions:

Capacity Substitution and Gap-filling - The initial priority for both RGC and its DPs in the post-conflict period beginning in 1994 was to rebuild the basic functioning of the Cambodian state starting with the provision of basic services and core departmental functions. These objectives combined with Cambodia's own lack of capacity led directly to patterns of capacity substitution, gap-filling and enclave approaches to aid delivery.

Product over Process - This trend induced another expected pattern; an emphasis on product and action over process and capacity development. In practice, the behaviour of the TC system began over time to repeat its behaviour or 'trap' itself, i.e. development partner control leading to a continuation of capacity substitution leading to unsatisfactory progress on capacity development leading back to more capacity substitution. Lack of capacity became a self-fulfilling prophecy. Emphasis was given to ensuring adequate capacity for project implementation rather than the broader goal of developing the capabilities needed by government departments to carry out their mandated functions.

The Rise of the Brain Drain - The organizational and programming needs of the development partner community reinforced this system behaviour by attracting talented Cambodians at salary rates that the RGC could not match. A substantial amount of Cambodian capacity drained out of the system either to part-time private sector work or to international organizations leading back again to more capacity substitution.

The Barriers to Cambodian Ownership - The RGC was not in a position to impose discipline and a coherent direction on the behaviour of the TC system. Part of this pattern can be explained by the difficulties the RGC faced in generating and operationalising its ownership.

This lack of 'ownership capability' resulted in other familiar patterns; a tendency for Government disengagement and compliance, continued donor-led control of projects and programmes and a growing fragmentation of development interventions.

Compliance and Tolerated TA - Government officials almost invariably did not refuse external offers of TA personnel including those that they suspected might be unnecessary or dysfunctional. This appears to have lead to a good deal of 'tolerated' TA which critics maintain has absorbed too much of Cambodia's ODA allocation. A variety of explanations were offered for this pattern of behaviour.

The Behaviour and Contribution of Implementers - Private firms and consultants have had weak incentives to focus on capacity issues. They appear to have been reluctant to devote much 'billable' time to capacity development given the 'product' focused nature of most contracts and reporting systems. Second, few TA personnel have had the skills to do both product and process work effectively.

Lack of Commitment to Capacity Development - The espoused commitment to CD on the part of RGC and DPs has been a modest one for a variety of reasons, kept in place by a variety of forces in the TC system. These reasons include a continuing need for capacity substitution, and the weak incentives for DPs to make the transition to more 'indirect' forms of assistance, especially in a climate of risk-management and concerns over corruption and lack of transparency. A focus on capacity issues also fits uneasily within the conventional emphasis on achieving tangible results in the short term.

4.3. THE EMERGENCE OF GOOD PRACTICE IN TC

Development partners have tried to move beyond conventional approaches to TC design and management over the last few years. The result is an emerging range of examples of country-development partner collaboration that shows progress in developing capacity.

The one most cited example was that of the Public Financial Reform Programme. A special feature has been the degree of harmonization and alignment that underpins the programme even among development partners who are not a formal part of the 'pooled' programme. Another example would be the Flexible Support Fund for the Criminal Justice Sector.

4.4. THE CURRENT STATE OF EVOLUTION AND THE OPTIONS FACING THE TC SYSTEM

There appear to be three basic ways forward for the RGC and its development partners in improving the outcomes of the TC system.

- The *first* is to accept that the TC system is still "trapped" in a post-conflict mode of functioning and will need some dramatic actions to get it to make a major shift to the capacity building and institutional development phase talked about in a 1995 Bank analysis. The 'window of opportunity' may still not yet be open in a serious way.

- The *second* option is based on the idea that the TC system has begun to shift in noticeable ways. The chances of moving beyond capacity substitution in a major way are promising. However, there still needs to be both sustained individual and collective efforts on the part of country actors and development partners to carry the change process forward.

- The *third* option is to take the view that the TC system is well on the way to achieving a new level of capacity development outcomes and does not require any special collective interventions to further advance the process.

Based on our discussions, we believe the second option most accurately responds to the current state of evolution of the TC system. We see the aid relationship maturing on both sides leading to better understandings and more effective co-ordination mechanisms. We also see the RGC developing the skills and confidence to provide greater leadership as evidenced by the formulation of a National Strategic Development Plan, the formulation of various sector strategies and the disciplined implementation of the PFM reform.

5. RECOMMENDATIONS FOR ACTION

5.1. INTRODUCTION

The report's recommendations for action are guided by a set of general principles:

- The need to continue efforts to rebalance the aid relationship
- The need for capacity development to be a shared priority of the RGC and development partners
- The need to emphasise TC quality rather than quantity
- The need for a collective commitment to reform the TC System
- The need for a wide range of changes and improvements
- The avoidance of development dogma and preselected solutions
- The recognition of the limits of technical cooperation
- The need to develop the capacity of development partners

Two sets of recommendations are provided for reforming the TC system in Cambodia:

- A *first* set that focuses on ways to improve the **management and governance** of technical cooperation. These closely follow Cambodia's on-going harmonisation, alignment and results agenda and aim to enhance the efficient and effective mobilisation and deployment of TC resources under government leadership.

- *A second* set that focuses on ways to improve the **quality of capacity development work**. It recognises capacity development as a practice area that deserves more careful consideration.

5.2. RECOMMENDATIONS TO IMPROVE THE MANAGEMENT AND GOVERNANCE OF TECHNICAL COOPERATION

5.2.1. ENCOURAGE RGC OWNERSHIP AND CONTROL OF THE TC MANAGEMENT CYCLE

Identification, Design and Formulation of TC Interventions - A range of incremental steps can be taken by the RGC to play a more proactive role in project/programme design. These include such actions as encouraging the RGC, possibly with TWGs serving as a 'clearing house', to play a more active role in appraising proposals for TC against agreed criteria, improving approaches for the diagnosis of needs and design of TC interventions for capacity development, and providing funding to RGC departments to assist with the development of funding proposals.

Procurement - There are ways of increasing RGC participation in the procurement process in a way that can contribute to strengthening ownership. At a minimum, the RGC can and should fully participate in the preparation of TORs and or tender documentation. DPs should continue to focus on the broader strengthening of national procurement systems providing scope to use budget support resources for securing TC support.

Contracting, Management and Supervision - The RGC should increase its involvement in the contracting, management and supervision of TA personnel. Doing so will help "rebalance" the two-way relationship between client (i.e. the RGC) and the contractor (e.g. an individual expert or a consulting firm) which is easily distorted by the three-way relationship between contractor, funder and client organisation.

5.2.2. REDUCING LEVEL OF FRAGMENTATION THROUGH GREATER CO-ORDINATION AND COLLABORATION

The RGC and DPs have begun to take steps to co-ordinate support behind country-led strategies and systems. The RGC already has a Harmonisation and Alignment agenda which reflects many of provisions of the Paris Declaration. Further developments to advance this agenda are encouraged and can be expected to yield a number of benefits, including:

- Shifting the focus of TC for CD towards broader sector and organisational capacity issues.
- Reducing the number of separate projects being implemented each of which requires separate project management arrangements including PIUs and which generate additional administrative burdens on participating agencies easily overwhelming available capacity.

- Creating conditions to reduce the overall volume of TC including of TA personnel by encouraging pooled approaches and identifying areas of potential overlap / contradiction.
- Providing a basis for less ad hoc and more rationalised and disciplined approaches to dealing with the issue of salary supplementations and linking this to broader aspects of human resources management including pay reform.
- Creating the opportunity for the RGC through the TWG system to assume greater leadership and responsibility for the management of TC resources.

5.2.3. BUILDING RGC CAPACITY TO DESIGN AND MANAGE TC

Expanding the Role of the CDC - to oversee the process of TC management and providing more support where possible to line agencies.

Developing the Capabilities of Line Agencies - as part of an effort to support more comprehensive and broad-based capacity development of ministries and agencies.

Developing Public and Private Service Resource Providers - such as tertiary institutions, private consultancies, research organisations, NGOs in the area of human resources development and organisational development.

Considering the Establishment of an Independent Monitoring Group **-** that could review the performance of both government and development partners with respect to aid management and delivery.

5.3. IMPROVING CAPACITY DEVELOPMENT PRACTICE

The report outlines a set of issues and recommended actions for improving the practice of capacity development. A concerted effort will be need to be made to improve the conceptualisation, design, implementation and monitoring of capacity development work. Overall, a more thought-through approach to capacity development work is advised. Since the principal aim of TC is to help develop capacity, it follows that appropriate attention should be paid to the "how" aspects of capacity development. More efforts need to be made to further "unpack" current thinking and ideas on the subject in Cambodia. Specific actions might include the following:

5.3.1. DISCUSS AND LEARN MORE ABOUT CAPACITY ISSUES

CDC should seize the opportunity together with its partners to take this agenda forward. The TWG on Partnership and Harmonisation offers a potential venue for agenda setting and steering the process but its success will depend on the discussion being carried forward to the individual sector/thematic TWGs, which should ideally serve as focal points for addressing TC for CD.

- The topic of TC for CD should become a standing item on the agendas of the TWGs so as to ensure that it receives the attention it deserves.
- CRDB/CDC is encouraged to develop a simple "tool box" comprising guidance notes and instruments on capacity development and to maintain a simple website that can serve as a resource / point of reference for the TWGs and the organisations they represent.
- Reports on progress with implementing TC for CD reform could be prepared for review at GDCC and CDCF meetings.

5.3.2. IMPROVE THE DESIGN OF CAPACITY DEVELOPMENT INTERVENTIONS

Various actions can be taken to improve the quality of capacity development interventions. Four areas of attention are proposed:

Re-Think and Shift the Modes of Engagement between the RGC and Development Partners - In general, there are three modes of engagement between countries and their development partners. In descending order of external intrusiveness, these are the:

- 'direct' approach in which external interveners diagnose and prescribe solutions for the consideration of country managers
- 'indirect' approach in which country participants work in collaboration with external actors to jointly devise new solutions
- 'pure process' approach which pushes external interveners towards process, facilitation and support.

Most TC-supported programmes in Cambodia will have elements of all three approaches. But the goal over the medium and the long-term should be to shift TC interventions toward the indirect and the pure process models.

Improve the Diagnosis and Assessment of Capacity Development Needs - Development partners and the RGC need to invest in a more thorough diagnosis of capacity challenges and related contextual factors as a basis for designing appropriate support programmes, including the right mix of TC inputs. Various tools exist that can help assess capacities and related contextual factors. The challenge is to use ones that are most relevant for particular situations and organizations. And also to use such tools as an aide to judgment and assessment rather a replacement.

Explore a Broader Range of Capacity Development Strategies - Capacity development is a form of change. It can be personal or organizational. It can be simple or complex. It can be short or long term. The range of different strategies that can be employed range from those which are more planned and technocratic to those which are more emergent and informal.

The suitability of any one approach will depend on the nature of the capacity development challenge. Effective design does not imply over-design or rigid design. In some cases loose design can be an advantage. Effective interventions are often associated with flexible and iterative approaches such as rolling plans that recognise change and capacity development as long term processes that cannot be easily predicted. This is especially important in complex and politically sensitive environments where the momentum and direction of reform can quickly change.

Developing Appropriate Monitoring and Evaluation Systems - Part of the challenge of capacity development work is devising a suitable framework for monitoring and evaluation. Capacity issues do not lend themselves easily to conventional, results-based forms of measurement. This reality presents a number of challenges in terms of accountability, learning, management and incentives. At the programming level, both RGC and development partners should seek to:

- Agree up front on the CD objectives and strategies that are to be used in a particular intervention.
- Define indicators that can best describe the kinds of changes in competencies, capabilities and capacity that the intervention is expected to generate.
- Specify the CD tasks and responsibilities that TA personnel are expected to perform within their TORs / job descriptions.
- Select appropriate monitoring and evaluation frameworks that can best provide evidence of performance and results. In this regard, there are a wide variety of monitoring and evaluation methodologies that can be used to measure capacity, change and performance.
- A joint RGC-DP task force might collaborate on devising an approach to the M&E of capacity issues that could provide guidance to future efforts.
- The RGC and TWGs are encouraged to set up a simple mechanism to allow potentially useful new approaches to capacity development to be documented and disseminated.

5.3.3. IMPROVING THE EFFECTIVENESS OF TA PERSONNEL

Few topics have been discussed over the years as much as improving the effectiveness of individual TA personnel. Most of the usual recommendations apply to the situation in Cambodia.

- The purpose and proposed roles and functions of TA should be fully discussed during the design of any intervention.

- Partners should be clear about the actual purpose of deploying TA personnel, in particular whether a role is genuinely advisory or in-line.
- The production of a glossary of terms can help to clarify the many different roles and functions that TA can perform.
- The RGC and DPs need to be realistic about what TA personnel can do, and what space to permit the personnel involved to adapt approaches as needed.

Process skills are also as important, particularly where TA is expected to play a change agent or process facilitation role. In this respect, it is crucial that TA personnel fit into the organisational environment to which they are attached and that they are able to build up relationships of trust and respect. These become all the more important as the role of TA shifts from a primarily 'direct' or 'doing" role to the 'indirect' or 'pure process' in which communication, mentoring and facilitation are key.

5.3.4. THE CENTRALITY OF PUBLIC SERVICE REFORM

Responsibility for creating an enabling environment for retaining and utilising Cambodian capacity must be a country responsibility. There are both political and technical issues here, many of which are complex and long term in resolving. Notwithstanding this, progress on the implementation of Cambodia's public administration reform must remain a priority.

- TC can contribute in important ways to supporting RGC efforts to implement reform, as illustrated in the PFM.
- Good CD design and provision of quality TA personnel are no substitute for creating an enabling environment for change and public service performance. Discussions on the sustainability of TC contributions to capacity development should therefore be linked to wider discussions relating to underlying factors that encourage or impede public sector performance.

5.3.5. IMPROVING THE CAPABILITIES OF DEVELOPMENT PARTNERS

The capabilities of development partners themselves to support TC improvements needs attention. Reform of donor practices is as important as changes to RGC behaviour.

5.4. NEXT STEPS

The RGC and its development partners are already engaged in an on-going process of discussion and experimentation on aid coordination. We see that as an activity of adjustment and realignment that will continue as long as Cambodia remains a major recipient of development cooperation. This process thus already has an agenda both formal and informal.

What we would suggest is a coordinated effort to give more systematic attention to capacity issues. We have made specific suggestions to that effect in the report. What needs to be done in our view are five things:

- To do more case work to get a more evidence-based sense of what works and what does not in the Cambodian context.
- To pull these patterns together in a way that can generate some basic principles of practice. This will include translation of the final text of this document, considerable consultation, and broad-based efforts to build consensus across Government, in the development partner community, as well as between the two.
- To discuss these principles and approaches at the Partnership and Harmonization Technical Working Group in an effort to induce and guide more coordinated action by both the RGC and its development partners.
- To include more explicit reference to CD in the JMIs as an indicator of the increased importance placed on this issue as well as to underline a mutual realisation that other priority objectives will not be achieved without strengthened CD support.
- Consider the merits of introducing some form of independent monitoring exercise to review progress on CD as part of the broader aid effectiveness agenda and the mutual accountability commitments that are included in this work.

1. INTRODUCTION

1.1. BACKGROUND

The Royal Government of Cambodia (RGC) and its development partners (DPs) continue to collaborate on improving aid effectiveness.[1] Part of this effort has focused on the specific implications of the Paris Declaration for aid design and management in the Cambodian context.[2] Part has been about more general improvements to the design, management and monitoring of technical cooperation (TC) that could be implemented by the RGC, by individual DPs or by actors from both sides coordinating their activities.[3]

These perennial topics of TC in general and technical assistance personnel (TA) in particular present particular challenges. Cambodia as an aid-dependent country with continuing gaps in capacity has received a high proportion of its development assistance in the form of TC. No serious effort at improving overall aid effectiveness can make much headway without addressing this issue. To do this, the Partnership and Harmonization Technical Working Group consisting of representatives from both the RGC and the DPs agreed to sponsor a review of TC in the Cambodian context. The TORs are attached at Annex 3. We were engaged to work with the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia (CRDB/CDC) to bring an international perspective to the review that could supplement country analysis.[4] This report sets out our findings, conclusions and recommendations.

Box 1: Use of the Terms 'Technical Cooperation' and 'Technical Assistance'

We define 'technical cooperation' in this report as transfer, adaptation or facilitation of ideas, knowledge, technologies or skills to foster development. TC is normally provided through the provision of both short and long-term personnel, education and training, consultancies, research and equipment support. According to the study TORs, TC is also understood to include provision of monetary incentives to Government staff associated with the implementation of a project or programme that is designed to build and augment the capacity of Government.

In this report, we do not look at this broader concept of 'technical cooperation' due to lack of time to analyze the complete range of issues such as training, research, salary supplements and equipment supply. We focus instead on the use and effects of long-term technical assistance (TA) personnel, as a key element of technical cooperation. In particular, we look at its contribution to the development of Cambodian capacity in the public sector.

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[1] Royal Government of Cambodia, *The Cambodia Aid Effectiveness Report*, May 2007

[2] Royal Government of Cambodia, *Declaration by the Royal Government of Cambodia and Development Partners on Enhancing Aid Effectiveness,* Dec. 2006

[3] Development partners refers to the community of multilateral, bilateral and non-governmental development organisations present in Cambodia

[4] Anthony Land and Peter Morgan are independent consultants based in Gaborone, Botswana and Washington, DC, USA respectively.

Readers need to keep in mind two other points. First, TC as a development issue has been a subject of ongoing analysis since the inception of modern development cooperation after the end of the Second World War.[5] A constant theme has been the search for ways to improve its development contribution and in particular, its effects on capacity development. Given this decades of prior work, this report is unlikely to come up with dramatically new insights that have never been offered before. Most of the solutions to improved TC are well-known. As always, the challenge is one of implementation, i.e., to combine useful, albeit familiar, recommendations into a coherent way forward that can resonate in the particular context of Cambodia. And then to encourage participants, both Cambodian and external, to implement these recommendations in some sort of systematic, collaborative way. But the question remains if such recommendations can and will be taken up by participants working within their constraints, interests and incentives.

Second, this report comes with a particular direction and set of limitations both of which have been discussed first with H.E. Chhieng Yanara, Secretary-General, CRDB/CDC on behalf of the RGC and secondly with the sub-group of the Partnership and Harmonization Technical Working Group (TWG) that was set up to oversee this assignment.

The *general direction* of the report is as follows;

- The report should provide an integrated analysis of TC and capacity development issues. The breadth and interconnections of the analysis should be emphasized over depth and detail.
- Both strategic and operational issues should be addressed with a view to highlighting the connections between the two.
- The analysis needs to take into account, wherever possible, the special contextual conditions of Cambodia.
- Operational and management experiences from the four sectors – Public Financial Management, Agriculture & Water, Land and Health - should be used to highlight the analysis. Material should be included which provides insight into what works in the Cambodian context and what does not.
- Given the time constraints, the report should not spend a great deal of time formulating detailed recommendations. Proposals should be suggestive and directional not prescriptive. The CRDB/CDC and the Partnership and Harmonisation TWG will then do further work to devise more detailed approaches.

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[5] See *Partners in Development,* The Pearson Commission on International Development, 1968, *Does Aid Work?* Robert Casson and Associates 1986, *Making Technical Co-operation More Effective: New Approaches by the International Development Community,* Peter Morgan and Heather Baser, report prepared for CIDA, July 1993, Eliot Berg, *Rethinking Technical Cooperation: Reforms for Capacity Building in Africa,* 1993, T. Land, *Joint Evaluation of Provision of Technical Assistance Personnel, - Synthesis Report,* ECDPM Discussion Papers, # 78, 2007.

- Finally, the report should be balanced, fair, objective and direct, reflecting the constructive nature of the aid effectiveness discussions to date in Cambodia and the openness of the relationship between the RGC and its development partners.

The *limitations* to the analysis are the following

- The topics of capacity and capacity development are inherently ambiguous and lend themselves to a multitude of interpretations and conclusions. Judgments about what does and does not work in the Cambodian context remain largely anecdotal. There is little systematic evidence on the effectiveness of TC or its contribution to capacity development.
- The analysis took place over a limited period of time and could not include visits outside Phnom Penh.
- The report does not analyze a range of specific issues that affect TC effectiveness such as incentives or organizational structure or demand or supply side issues.

1.2. METHODOLOGY

We undertook the fieldwork over a three week period beginning Monday 8th October 2007 and ending on Friday 26th October 2007. We began the assignment by participating in the 7th Government-Development Partner Coordination Committee (GDCC) meeting which took place on Monday 8th October 2007. We also met with the sub-group of the Partnership and Harmonisation TWG set up to oversee the study on Monday 15th October 2007 at which time we presented the inception report and programme of work. We presented our preliminary findings and recommendations to a special meeting of the full Partnership and Harmonisation TWG on Friday 26th October 2007.

Three members of the staff of the CDC accompanied us during the visits and meetings. They provided both substantive and logistical support which proved essential.

We worked exclusively in Phnom Penh and met with a wide range of individual officials and groups mainly from the Royal Government of Cambodia and development partners. The following institutions / stakeholders were met:

Royal Government of Cambodia	
Council for Administrative Reform	CAR
Council for the Development of Cambodia	CDC
Ministry of Planning	MoP
Ministry of Economy and Finance	MEF
Ministry of Health	MoH
Ministry of Education, Youth and Sport	MoEYS
Ministry of Agriculture, Fisheries and Forestry	MoAFF
Ministry of Land Management, Urban Planning & Construction	MoLMUPC
Technical Working Group Focal Points	

Development Partners	
Australian Development Agency	AusAID
Asian Development Bank	ADB
Agence Francaise de Developpement	AFD
Belgium Technical Cooperation	BTC
Canadian International Development Agency	CIDA
German Ministry of Development Cooperation	BMZ
Danish Development Assistance	DANIDA
UK Department for International Development	DFID
Direction Generale de la Cooperation et Developpement (France)	DGCD
European Commission Delegation	ECD
German Technical Cooperation Agency	GTZ
International Monetary Fund	IMF
Japanese Embassy	
Japan International Cooperation Agency	JICA
UN Agencies (UNDP, UNFPA, WHO, UNICEF, ILO, UNV..)	UNDG
United States Agency for International Development	USAID
World Bank	WB

Research and Non-governmental Organizations	
Cambodian Development Resource Institute	CDRI

A full list of persons met is contained in Annex 1. We also consulted a range of written materials listed in Annex 2.

Two points on the format of the report.

- It has five main sections: Section 1 is the introduction, Section 2 analyses the TA challenge in Cambodia. Section 3 deals with the nature of the development context in Cambodia. Section 4 addresses the TC system in Cambodia. Section 5 presents recommendations for action.
- A number of people emphasized to us the need to write as accessibly as possible for readers whose first language is not English. We have tried to do this where possible but believe the best method to provide this ease of access is to translate the whole report or the executive summary into Khmer.

2. THE TC CHALLENGE IN CAMBODIA

2.1. AN ANALYSIS OF THE CHALLENGE

There appeared to be a pervasive sense in the development community in Phnom Penh that TC was not making a sufficient contribution to Cambodian development and in particular to the development of sustainable capacity. Participants in the interviews offered a variety of diagnoses and reasons for this situation. Some were descriptive and symptomatic. Some ascribed causation. Some were conflicting. Most were along the lines set out below.

- Expenditures on TC currently make up some 50% of all official development assistance (ODA) to Cambodia. They contain a good deal of capacity-substitution interventions with a heavy reliance on the provision of long-term technical assistance personnel. A more appropriate share of ODA, according to this view, would be 15-20 %. The difference in expenditures could be much better spent on a variety of other development investments. Less use of external TA personnel would also lessen the chances of blocking the emergence of Cambodian capabilities.

- A contrasting view emphasized the need for greater quality of TC. From this perspective, the absolute total of expenditures or the quantity devoted to TC is not the issue. What matters is the quality or the development impact especially with regard to capacity development. Put another way, quality TC making up 40% of ODA would be a much better investment than 30% at the current level of effectiveness.

- The implicit control by development partners over the decision making about TC leads inexorably to an excess supply given the pattern of incentives that most DPs face. Almost all the appraisal work, report writing, monitoring and evaluation are still carried out by external consultants. Part of the reason for this continued involvement is the need to lower DPs risks and maintain their disbursement levels. The lack of transparency about the costs, supply and the functions of TA personnel reinforces the current high levels of supply.

- A number of Cambodians felt that the oversupply of TA personnel was a result of the need of DPs to extract commercial and political advantage out of the field-based programmes they supported. Programme and project design using a large amount of TA was therefore a response to the pressures from private sector firms in DP countries to maintain their presence in countries such as Cambodia.

- Cambodian officials want to maintain a high level of external TA personnel given their own needs to get work done, manage their departments and agencies and keep up their performance. The incentives for country staff to phase out long-term TA and to focus on capacity issues are mixed at best.

All of the above assertions have an element of truth. But taken individually, they do not, in our view, add up to a coherent and complete explanation of the reasons underlying the unsatisfactory performance of TC in Cambodia. Almost without exception, those interviewed both on the RGC side and the development partners supported the view that TC as a development intervention could be made more effective. In particular, they believed it could do a better job of delivering the capacity results that all the participants said they wanted. And not surprisingly, almost all believed that their own approach to TC design and management was not part of the problem.

What matters a great deal, in our view, is the way the TC system *as a system* behaves in Cambodia.[6] Our assertion is that some deeper dynamics in the way the TC system comes together and functions shape its outcomes as much as the actions of its individual actors.

This report therefore sees the TC challenge in Cambodia as the following.

How can the development community in Cambodia, both Government and development partners, collaborate more effectively to generate the desired outcomes for TC that both sides say they want?

Given this perspective, this report addresses a series of questions:

- What are the features of the TC system in Cambodia and why does it behave the way it does?
- How can the RGC and its development partners engage more effectively to develop capacity?
- What factors on both sides undermine/support those efforts?
- Can TC be an effective instrument for capacity development - how and under what conditions?

2.2. A PERSPECTIVE ON CAPACITY DEVELOPMENT

Two impressions about this subject stood out for us during the interviews and research in Phnom Penh. First, the whole subject of capacity development comes with a huge variety of definitions and perspectives. Various organizations and groups in Cambodia have also devised their own versions.[7] Participants, both Cambodian and development partners, could

[6] We define a system as an entity that maintains its existence and functions as whole through the interrelationships amongst its parts or elements.

[7] *Draft Policy on Capacity Development in the Cambodian Civil Service: Key Concepts, Terms and Principle,.* Cambodian Development Resource Institute (CDRI), June 14, 2007, *Capacity Building Practices of Cambodia's External Partners: A Framework for Capacity Development: Mandating Effectiveness and Value for Money,* paper prepared for the Council for Administrative Reform of the Royal Government of Cambodia, December 2004, *Capacity Building Practices of*

thus be talking about subjects as diverse as basic skill development for individuals or the improvement of the performance of a network of organizations at the sector level. It was also evident that the Cambodian participants and their development partners frequently viewed capacity issues quite differently. And there could be huge differences of view within the RGC itself depending on level of authority, professional training and physical location of the officials.

Second, only a few participants in Cambodia seemed to offer, or be following, some kind of coherent, well-conceived strategy of capacity development that pulled together the ideas, efforts and resources going into an intervention and focused them on a shared process.[8] And few had a clear sense of what 'capacity' would actually look like when developed. This capacity strategy 'gap' can be found in many countries and is not unique to Cambodia. But it does give a sense of the challenges that face participants when they agree to achieve or monitor improvements in capacity. It carries implications for the way capacity challenges are diagnosed and for identifying the kind of role that external partners and TA in particular might best play in addressing those challenges.

We are not advocating in this report a single definition or strategy that should be accepted by all the development actors in Cambodia. As usual, many of the situations in Cambodia are quite different and require varying approaches. A national capacity development strategy in these circumstances might not be helpful and could in fact undermine efforts at joint learning and innovation. But it may be helpful in this report to set out some basic principles that underpin the concepts of capacity and capacity development used in this report.

- We see capacity development as an 'end' of development interventions as well as a 'means'. In this report, it refers to much more than just putting in place the resources and techniques for better programme implementation. We are talking here about the process of Cambodia developing the institutions, attitudes, organizations and the ability for collective behaviour that allows the country to shape its own development path. Also included is the contribution that development partners can make to that process.

- We see capacity development taking place concurrently on different levels such as the individual, the organizational, the institutional, the sectoral, the regional and the national. Developments at each 'level' intersect in some way with all the others. In practice, capacity development is, in most cases, an attempt to change a complex

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Cambodia's Development Partners: A Discussion Paper, prepared for the Council for the Development of Cambodia, June 2004

[8] An example of a more coherent approach is the support being provided to the Public Financial Management Programme discussed further in Box 5.

system or systems. We see systems thinking as adding to our understanding about how capacity forms and evolves over time.[9]

- We see capacity development as a process of change. As such, it involves much more than technical, managerial or econocratic engineering. Issues to do with power and conflict, human psychology, social adaptation, financial resources, incentives and motivation interact to shape the outcomes of the process. Many different approaches to change may be relevant.

- We look at capacity from three perspectives. Individuals can develop competencies. Organizations can improve their collective capabilities. And both of these aspects need to be combined in some coherent way into overall system capacity.

- Some key intangibles such as confidence, determination, ingenuity, imagination, pride, motivation, self-interest are key factors in both the condition of capacity and the process of its development. Cambodian ownership is also a critical factor given the fact that capacity development is, in the final analysis, a voluntary activity that cannot be imposed or carried out on behalf of others.

- We would add a point about timing. Many capacity development interventions require action in the short term. But others need sustained application over many years to make a real difference. Both the RGC and its development partners will need the capability for both short and long term collaboration to help make capacity development effective.

- We see capacity development as an intervention that needs the systematic thought and attention of all the participants in both the RGC and the development partners. It may be a by-product in some instances but for the most part, it comes about through effort and intentionality.

[9] See ECDPM, *Report of a Workshop on Systems Thinking and Capacity Development, Some Concepts and Operational Implications,* June 30, 2005.

3. NATURE OF THE DEVELOPMENT CONTEXT IN CAMBODIA

3.1. GENERAL FACTORS

A good deal of the TC issues in Cambodia are similar to those to be found in other low-income countries.[10] As such, they represent patterns of behaviour and development outcomes that the global aid business tends to reproduce in many situations. But it is also true that Cambodia as a country has a unique set of contextual factors that are likely to shape any TC intervention. A key assumption of this report is that any development solutions, including those labelled as international best practice, must in some way be tailored and customized to respond to Cambodian conditions.[11]

Readers familiar with Cambodia will find little new in this section. But we include it for two reasons. First, it should enable readers not familiar with this context to better understand the report as a whole. And second, our emphasis on certain contextual factors and not others may give readers a better sense of the analysis shaping the conclusions and recommendations.

The Influence of Cambodian History

Much Cambodian behaviour, including that on display in politics and public management, draws upon the rules of social and cultural institutions that have been in place in some form since pre-colonial times.[12] Many of these rules shape the informal systems that are so influential in Cambodian national life. In more recent Cambodian history, the effects of the catastrophic events beginning with the coming to power of the Khmer Rouge in 1975 have been told elsewhere and will not be repeated in this report. Much of the 1980s and early part of the 1990s were dedicated to rebuilding state institutions and organizations as well as achieving some sort of political stability and legitimacy. Some Cambodians made the argument to us that in real terms, the country only achieved the basic attributes of a functioning political system in the late 1990s – that is, less than ten years ago.

Two points stand out for us. First, it should not be surprising in the Cambodian context if the conventional development goals of effectiveness, equity and efficiency have to be balanced off against goals to do with stability, security and the avoidance of internal conflict. As in most countries, country officials must try to respond to a variety of agendas, both

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[10] See, for example, Todd Moss, Guniulla Pettersson and Nicholas van de Walle, *An Aid Institution Paradox? A Review Essay on Aid Dependency and State Building in Sub-Saharan Africa*, Centre for Global Development, Working Paper #74, January 2006.

[11] "The problem is not the overall insufficiency of technical assistance but rather that it is organized so as to be unresponsive to country circumstances" Paul Collier, *The Bottom Billion: What the Poorest Countries are Failing and What Can Be Done About It*, 2007, p. 115

[12] See Caroline Hughes, "The Politics of Gifts: Tradition and Regimentation in Contemporary Cambodia" *Journal of Southeast Asian Studies*, 37(3), October 2006.

explicit and hidden that come out of their history and national memory. The outcomes of TC interventions will thus need to be judged from a broader perspective to provide a deeper picture.

Second, Cambodia as a state has made dramatic progress in capacity development over the last two decades given its abject starting point in 1980. The usual external pre-occupation on current gaps, weaknesses and constraints at the country level tends to obscure this basic point. At the very least, it should be evident that a capacity development intervention has a chance of succeeding in Cambodia given sufficient time, experimentation, patience and persistence and provided it is relevant to national or RGC needs.

The Scale and Timing of the Transitions

A number of observers in Phnom Penh emphasized to us the scale of the transitions that Cambodia as a country is in the process of navigating, ones that are more dramatic in many ways than those in high-income countries. It is shifting out of the post-conflict mode oriented towards short-term efforts at stabilization and recovery and entering into a more conventional stage of growth and development. It is moving from a state-controlled model to a more market-based approach. It is endeavouring to integrate more into regional and global economies. And it is moving in its own way to experiment with a more democratic political system including elections, political, administrative and fiscal decentralization and the increased participation of civil society. As a consequence, the RGC is engaged in a set of complex governance reforms including public financial management, decentralisation and deconcentration, public administration, and legal and judicial reform.

One obvious implication is the complex set of demands that such transitions impose on a country especially one that starts with a limited range of capabilities[13]. Cambodians must balance change and consolidation. They must get access to external skills but also develop their own. State institutions must develop legitimacy as well as competence. Development partners must balance capacity substitution and development. And Cambodians must try to keep up with global developments and pressures that themselves are moving at an increasing speed.

New 'Drivers of Change' are Appearing

In common with most countries in the Asia Region, the nature, role and importance of development assistance to Cambodia is changing. The economy is now growing at about 8 % per year and now has greater access to the capital surpluses that are now available in the Asia Region. Non-traditional development partners such as China are now increasingly

[13] Usually in high-income countries, such ambitious reforms are financed and coordinated via a single source and pot of money. In Cambodia it is a myriad of donors, projects and interests that support these reforms, resulting in additional tensions and dynamics between the different stakeholders and agendas.

active in the country as donors. New sources of government revenue such as oil and gas will come on line over the next 2-3 years. Foreign private companies are becoming an important source of TA. Cambodia has decided as a matter of national policy to integrate into ASEAN regional and global economies and to join global institutions such as the World Trade Organization. Demand-side pressures both from external competitive markets, international commitments and internal groups such as urban-based citizens and organizations should lead over time to greater demands for improved performance.[14] Such a set of emerging relationships in addition to those with the international development community, should also generate the need over time for greater transparency and accountability in government that go beyond the current initiatives and reforms put in place by government.

The Rise of International Best Practice

More than at any point in the recent history of development cooperation, efforts are now being made to devise collective international approaches to development cooperation either in the form of objectives such as the Millennium Development Goals or through the provisions and principles of good practices such as the Paris Declaration including harmonization, alignment and country leadership. These kinds of generic 'universalist' solutions can avoid a good deal of uncoordinated interventions and supply-driven activities. They can encourage the emergence of country engagement. But Cambodians in particular have to ensure that sufficient attention is paid to getting such interventions to fit the Cambodian reality and absorptive capacity.

The Four Development Worlds in Cambodia

The four separate but interconnected worlds of Cambodian development were apparent to us early in our work. One of the challenges is therefore to generate some sort of collaborative behaviour amongst these four worlds in an effort to make TC interventions more coherent. These four worlds are the following:

- The 'formal' Cambodian world of the modern public sector including government agencies, departments, functions, systems and structures, capacity development, sector strategies, performance targets, work plans and such. Development partners naturally gravitate to this familiar world.
- The 'informal' neo-patrimonial Cambodian world which includes informal networks, hidden resources flows, opaque decision making and incentive structures and

[14] It was suggested that expectations are growing among the general population for effective service delivery in areas of land, health, education and water while a burgeoning labour market of young graduates expect government to deliver on job creation.

influential patron-client relationships.[15] It is, of course, true that all countries have such informal worlds but the one in Cambodia seems more powerful and intrusive than most given its particular history and the destruction of many of the formal institutions and organizations during the Khmer Rouge period. These two Cambodian worlds – the formal and the informal - interact and intertwine in most efforts to reform the public sector.

- The third world is that of the development partners who come in all shapes and sizes in Cambodia. They represent different development attitudes, different institutional and national self-interests and different approaches to collaborative approaches and the provision of TC. Some, for example, are more able to respond to the provisions of the Paris Declaration. Others may focus more directly on TC and capacity issues at the project and programme levels.

- Finally, many TC programmes are actually implemented by actors from the fourth world, that of contractors, implementing agencies and consulting firms. This set of actors come to the table with yet another set of incentives, institutional interests and capabilities.

The point here is that the theory and practice of TC design and implementation is not simply carried out by groups of rational decision makers in both the RGC and the development partners intent on finding the most effective technical solution. Actors from these four worlds engage each other in Cambodia and try to reconcile a wide variety of interests and motivations.

3.2. THE CONTEXT OF THE PUBLIC SERVICE

Cambodia faces many of the usual challenges to developing state capacity in a low-income country. But Cambodia's recent history makes the challenge of state building that much more difficult, representing both a governance/political as well as a capacity development challenge.

The Supply of Human Resources

Increasing the supply of skilled human resources remains a challenge for the RGC given its catastrophic loss of trained people in the late 1970s[16]. Gaps in trained and experienced staff

[15] Some of this informal world has been analyzed in a recent publication from the Cambodia Development Resource Institute entitled *Accountability and Neo-patrimonialism in Cambodia: A Critical Literature Review,* Working Paper # 34, March 2007.

[16] Outside readers may not be familiar with the scale and effects of these events. In the case of the Ministry of Agriculture, Fisheries and Forestry, for example, the pre-1975 staff of about 1000 professionals was reduced to four still on staff in 1979. In addition, most of the physical infrastructure was destroyed and almost all records, i.e. the memory of the institution, were also eliminated. Similarly in the Ministry of Land Management, only three (3) land specialists remained.

appear to be particularly acute at the middle and lower levels of the public service, in the provinces and in particular technical sectors, departments and functions. Most observers pointed to excellent but overworked staff at the top of many public agencies followed by 'missing middles' that constrain the progress of work, resulting in poor policy execution and a recurring demand for technical assistance.

The State of the Education System

People interviewed were of two minds about the relationship between the performance of the education system and the emergence of public sector capacity in the country. On the one hand, the almost total destruction of the education system in the late 1970s and its resurrection in the 1980s and '90s represents a significant achievement for Cambodia.[17] On the other hand, the knowledge and skills of graduates coming out of the present system remains inadequate to meet the needs of a modern public service. The implication here is that the reform of public institutions will not be a narrowly-focused technical issue. It will instead need support from a wide array of Cambodian national development activities.

Incentives and Motivation

The issues of public sector pay, incentives, retention and motivation are a constant topic of discussion in Cambodia. Simply put, the RGC still remains unable to pay most of its staff a living wage leading to the usual patterns of absenteeism, rent-seeking and lack of motivation. Cambodians interviewed were therefore anxious to distinguish between the underlying potential national capacity versus the current actual levels of public sector capacity. Their sense was of considerable competencies and even capabilities within the country that are under-utilised. Part of the explanation appears to be that the lack of rewards and support within the RGC discourages productivity and innovation and encourages conformity and risk-aversion.[18] Good people with marketable skills end up leaving the service. The challenge within the public service is as much about creating conditions for capacity utilisation and retention as it is about its development.

Lack of Demand-Side Pressures

Not surprisingly, the Cambodian public sector is not yet subjected to a good deal of demand-side pressures for improved capacity and performance from citizens, civil society groups or private firms, although as earlier noted, there is evidence of new drivers of change pushing for greater performance and accountability. The issue of limited trust in public

[17] According to one estimate, a small group of Cambodian officials managed in the period 1982-1987 to have about 9000 schools built to replace those destroyed in the late 1970s.

[18] We also heard the view that the incentives issue is discussed too much from the perspective of the formal system and that other patterns of informal rewards need to be taken into account.

institutions remains an issue.[19] An additional consideration is the perception of the role of the public service. Traditionally for many Cambodians, there may not be any expectation of delivery of public services from the state and recourse to a patron therefore remains the preferred way to "get things done". This reinforces the patron-client system at the expense of public sector reform.

Power and Interests

The public sector in Cambodia incorporates within itself a variety of diverse groups whose interests need accommodating. Part of this pattern has to do with the relationships between the 'formal' and the 'informal' worlds in the public sector pushing for conflicting objectives. Incentives for senior managers to manage for improved performance let alone more effective capacity development are mixed at present. It also results in a public administration system that is highly politicised, opaque and which displays features of being at the same time both centralised and fragmented reflecting different pockets of power and interest. In practice, the shift of the public sector to a more formal, merit-based, performance-oriented approach is one that will likely take decades to reach a critical mass if patterns in other low-income states are indicative.

Approach to Public Sector Reform

Collaboration between the RGC and its development partners on a comprehensive approach to public sector reform has been slow to develop. Most joint activities are currently focused on specific aspects of the public sector such as decentralization or public financial management. We do not see an integrated comprehensive strategy to public sector reform as being feasible in the current Cambodian context in the near future. Such an approach is likely to be too unwieldy, too reliant on complex coordination and too vulnerable to diversions and capture. What seems more promising is a slowly emerging combination of initiatives that over the medium and long term, could add up to a critical mass of new capabilities and behaviours. This more incremental style would entail more experimentation, and more unplanned evolution toward improved capacity. What also seems likely is the emergence of what have been called 'interim institutions', i.e. institutional and organizational arrangements that are good enough to sustain progress without having to resolve complex issues of coordination and comprehensiveness.[20]

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[19] See *Cambodia: Sharing Growth, Equity and Development Report 2007*, report prepared by the World Bank for the Cambodian Development Cooperation Form, June 2007 p. viii.

[20] "In a number of cases, progress in Cambodia has been achieved in an enclave, in the hope of developing robust institutions and later building outwards rather than through an attempt to implement a comprehensive across-the-board reform of institutional arrangements". *Cambodia: Sharing Growth,* p. xvi,

4. THE TC "SYSTEM" IN CAMBODIA

"Systems' come in many forms and patterns of behaviour. Some 'hard' systems may be tightly connected and controllable from a single source. In contrast, 'soft' systems such as the TA system in Cambodia can form in a society and operate as a complex adaptive system with the following characteristics.

- It contains a large number of actors few of whom have any hierarchical relationship. It is loosely connected by an acceptance of a loose set of boundaries and general objectives. Such a system also has an almost infinite number of interactions amongst these actors.
- There is no one centre of control and authority. Most interactions take place on the basis of negotiated relationships.
- Change takes place partly through intentionality but also through the self-organization of the system itself. Most of the change will be emergent and unplanned. Multiple interventions will take place simultaneously at multiple points.

4.1. HISTORY AND STRUCTURE

As discussed earlier, the TC system in Cambodia has evolved out of a combination of usual influences that can be found in most low-income countries plus a set of Cambodia-specific challenges that have put a premium on customized solutions to the design and management of TC.

- The history of the TC system in Cambodia influences its present behaviour. Most development partners arrived and in large numbers and at around the same time in 1994. At that time, few Cambodians had much experience in dealing with aid management. The RGC itself had little capacity compared to countries such as Viet Nam, to deal with such a rapid build-up of development assistance. External direction, supply side interventions and Cambodian compliance thus characterized the first decade of TC and set a pattern that continues to this day.
- The TC system today is comprised of thousands of actors both individual and organizational in a variety of countries. This includes all the usual participants within Cambodia such as RGC departments, consultants and contractors, embassies and development agencies and so on. But it also includes actors in other countries whose behaviour and decisions affect the workings of the TC system in Cambodia. We are talking here about the headquarters offices of the development partners from Tokyo to Washington, policy and research groups working on Cambodia and external coordinating groups such as the Development Assistance Committee of the OECD in Paris. Using the current fashionable language, TC in Cambodia is part of a large complex adaptive system with elements or components interacting with each other.

- Most of the relationships amongst these actors, (e.g. between development partners or between government departments) are non-hierarchical. Most activities thus depend on some sort of shared purpose and collective action to make TC interventions more effective. And yet the varied interests, incentives, styles and policies of both the RGC and its development partners make such collaboration difficult to achieve and to sustain. Renewed efforts to do that have recently centred on the Harmonization and Alignment agenda coming out of the Paris Declaration. We try to build on that emerging platform for collaboration later in the report.

- Not surprisingly, the structure of the TC system and indeed most of the development assistance provided to Cambodia has fragmented into hundreds of projects, programmes and project implementation units (PIUs), a pattern that has lead to duplication, high transaction costs and a lower level of aid effectiveness.[21] Not all of this fragmentation is dysfunctional given the need for Cambodia to deal directly with some development partners. But the diversity and lack of coordination beyond a certain point has not been productive.

- As a response to this situation, the RGC and most of its development partners are trying to introduce more collaboration and coherence into the operation of the aid system.[22] Specific changes include the use of sector-wide approaches (SWAPs), some budget support, pooling arrangements, and specific mechanisms to encourage joint action such as a series of technical working groups.[23] Both the RGC and its development partners are making serious efforts to implement the provisions of the Paris Declaration where possible and appropriate.

Box 2: The Agriculture & Water Sector

Responsibility for the agriculture and water sector is shared by the Ministry of Agriculture, Fisheries and Forestry, and the Ministry of Water Resources and Meteorology. The sector remains highly fragmented with some 16 development partners financing a reported 58 projects. Efforts are being made to improve the management of the sector but progress has been slow. The challenge of coordination is made more difficult because there are two ministries involved, while development partners do not necessarily share a common agenda.

- A common strategy has however recently been put in place although there is some concern

[21] See the 2007 *Cambodia Aid Effectiveness Report* for further details on aid modalities and the way external resources are distributed across sectors.

[22] The RGC has made genuine efforts to induce more collaboration and coordination. See, for example, RGC, *Strategic Framework for Development Cooperation Management*, January 2006. *RGC's Action Plan on Harmonization, Alignment and Results*, 2006-2010. These documents can both be found on the website http://www.cdc-crdb.gov.kh

[23] The CDC estimates, for example, that about USD 30.0 million out of USD 690.0 million currently goes to budget support. As this figure increases starting in 2008, this will provide a strategic opportunity for RGC to identify and finance its own TC requirements.

that the two ministries are not providing the necessary leadership in the process, reflected in difficulties in getting the TWG to function effectively.

- That said, a Statement of Principles signed by the two ministries and ten development partners in 2007, provides a basis for making the HAR agenda operational at the sector level, marking the beginning of a process.
- Signatories have agreed that all new and existing funding will progressively be aligned to the common strategy. This will require collective action to translate sector priorities into a set of 5 national development programmes.

The capacity challenges facing the two ministries are similar to other parts of government.

- Progress is being made to develop key technical skills at headquarter and provincial levels, making up for the complete loss of skills and organisational memory during the 1970s. But staff lack experience.
- Poor pay results in low productivity and rent-seeking behaviour, including staff looking for opportunities to work on development partner financed activities. There is for now no harmonised and coordinated salary supplementation scheme.
- The lack of progress in harmonisation and alignment means that almost no TC is reportedly coordinated, and there is no capacity development plan or strategy in place for the sector.

4.2. THE BEHAVIOUR AND OUTCOMES OF THE CURRENT TC SYSTEM

Given this history and structure of the TC system in Cambodia, what have been the effects on its behaviour? Can we see some broad patterns that have shaped the outcomes of most TC interventions?

Capacity Substitution and Gap-Filling

The initial priority for both Government and its development partners in the post-conflict period starting in 1994 was to rebuild the basic functioning of the Cambodian state beginning with the provision of basic services and core departmental functions. These objectives combined with Cambodia's own lack of capacity led directly to patterns of capacity substitution, gap-filling and enclave approaches to aid delivery that have, by and large, persisted to this day. Shifting out of that pattern, where possible, has now become a key objective for the RGC.

Product over Process

This trend induced another expected pattern, i.e. an emphasis on product and action over process and capacity development. In practice, the behaviour of the TC system began over time to repeat its behaviour or 'trap' itself, i.e. development partner control leading to a continuation of capacity substitution leading to unsatisfactory progress on capacity development leading back to more capacity substitution. Lack of capacity became a self-fulfilling prophecy. Emphasis was given to ensuring adequate capacity for project

implementation rather than the broader goal of developing the capabilities needed by government departments to carry out their mandated functions.

The Rise of the Brain Drain

The organizational and programming needs of the development partner community that grew up in Phnom Penh also tended to reinforce this system behaviour by attracting talented Cambodians at salary rates that the Government could not match. In effect, a substantial amount of Cambodian capacity – the very people in the key middle levels of the public service who would be responsible for implementation - drained out of the system either to part-time private sector work or to international organizations leading back again to more capacity substitution.

The Barriers to Cambodian Ownership

The Cambodian Government was not in a position to impose discipline and a coherent direction on the behaviour of the TC system. Part of the explanation for this pattern was the difficulties Government faced in generating and operationalising its ownership. This lack of 'ownership capability' resulted in other familiar patterns, i.e. a tendency for Government disengagement and compliance, continued donor-led control of projects and programmes and a growing fragmentation of development interventions.[24] Such trends were not unique to Cambodia and reflect the capacity challenges in almost all low-income states.

Box 3: The Issue of Cambodian Ownership of Development Interventions

Many factors appear to influence and shape the state of Cambodian ownership and commitment, not all of which can be easily understood by its development partners. In the interviews, the following were cited as key particularly in combination.

- The attitude of key individuals within the Government responsible for programme delivery.
- The process used by development partners to 'design' an intervention, often informed by organisational guidelines and formal requirements of the donor HQ.
- The complexity of the intervention and the range of groups that are expected to have some sort of ownership.
- The opportunity for Cambodian officials to understand the implications of a project or programme.
- The space for Cambodian participation and control.
- The degree to which an intervention actually addresses issues of genuine interest and concern

[24] For an analysis of this pattern, See Eva Mysliwiec, *Envisioning a New Paradigm of Development Cooperation in Cambodia*, CDRI, February 2004. See also the discussion on donor fragmentation in the CRDB/CDC 2007 *Report on Aid Effectiveness*.

to Cambodians.

- The way in which the expected benefits of the intervention will be distributed within both the formal and informal systems within Cambodia.

Compliance and Tolerated TA

Officials in the RGC almost invariably did not refuse external offers of TA personnel including those that they suspected might be unnecessary or dysfunctional. This appears to have lead to a good deal of 'tolerated' TA which critics maintain has absorbed too much of Cambodia's ODA allocation. In our discussions with both Government and development partners, a variety of explanations were offered for this pattern of behaviour (see box below).

Box 4: The Dynamics of Cambodian Compliance

Both Cambodian and external officials interviewed for this report gave a variety of reasons for the willingness of the Government to accept and 'tolerate' TA personnel that it might not want or intend to support.

- The assumption that some dysfunctional TA is better than nothing assuming that it comes with associated resources such as possible salary supplements, operating costs and office equipment.
- A lingering Cambodian concern about the risk of international isolation and losing development funds to countries such as Viet Nam or China if it were to say "no".
- The expectation of senior managers in the Government that those below them at the operational and negotiating levels must maintain the flow of external resources. Few RGC managers have any incentives to 'fail' to obtain more external resources.
- A reciprocal pattern of behaviour on the part of junior officials who may be negotiating an aid package to finalise the agreement 'at any cost' in order to secure the resource flow to the ministry.
- An overall decision in the Government to accept unwanted aid in order to maintain a set of broader relationships particularly with multilateral institutions.
- The difficulty for Cambodian managers to predict exactly which TC interventions will work and which will not given the control of development partners over the data and appraisal process.
- The lack of capacity and skills of line agencies to negotiate effectively with development partners. Central agency staff find it difficult to refuse assistance at the end of the negotiations.
- The unwillingness of some development partners intent on supporting a certain project or programme to accept Cambodian lack of enthusiasm, as a sign of future lack of ownership.

The Behaviour and Contribution of Implementers

Such participants such as private firms and consultants - the fourth world described above – have had, for the most part, weak incentives to focus on capacity issues. First, they appear to have been reluctant to devote much 'billable' time to capacity development given the 'product' focused nature of most contracts and reporting systems. Few firms, for example, believed they would be fully compensated for work in these 'grey' areas of process and facilitation unless fully sanctioned by development agencies. And second, few TA personnel have had the skills to do both product and process work effectively.[25]

Lack of Commitment to Capacity Development

The espoused commitment to CD on the part of RGC and DPs has been a modest one for a variety of reasons. But we would emphasize here that this level of commitment to capacity development is not the direct outcome of individual participants deciding to ignore capacity issues. This lack of sustained engagement has been kept in place by a variety of forces in the TC system. First, there has, for example, been a genuine and continuing need for capacity substitution. Simply put, Cambodia still requires a good deal of TA personnel to do direct implementation. In this sense, the conundrum of balancing short term delivery versus long term capacity development in a capacity weak environment still exists.

Second, many Cambodian officials are anxious to maintain their access to such additional support. Technocrats, in particular, have few incentives to refuse such offers given the overwhelming constraints and challenges that characterise the public service, and are only too happy for a pair of helping hands who not only provide useful technical inputs but can also serve as a bridge or intermediary to the 'donor world'. And third, the development partner community faces weak incentives to make the transition to more 'indirect' forms of assistance, especially in a climate of risk-management and widespread concerns over corruption and lack of transparency.

We could also add other logistical constraints and methodological constraints. For example, the 'techniques' of capacity development in areas such as appraisal or , design, monitoring and evaluation remain either unfamiliar or untested. Few development partners or RGC departments have expertise in place to provide guidance in these areas. The tangible costs of capacity investments appear at the outset of implementation. But the intangible benefits usually emerge in the medium and longer-term when most of the original participants have moved on and have no chance to receive whatever credit is forthcoming. A genuine focus

[25] Several agencies remarked on the difficulty of finding people who combine the right mix of technical and process skills, and many candidates have had to be rejected. The selection of candidates on the basis of CVs alone is inadequate, yet continues to be the most widely used approach. The importance of communication skills and sensitivity to local practices was emphasised on many occasions. It was remarked that much of the potential value of TA knowledge is "lost" due to language difficulties.

on capacity issues also fits uneasily within the conventional emphasis on achieving tangible results in the short term.

4.3. THE EMERGENCE OF GOOD PRACTICE IN TC

Most of the analysis in the previous section emphasizes the downsides of TC practice in Cambodia and the factors that have tended to lock them in place. But we need to present some balance in this picture. As we mentioned earlier in this report, Cambodia as both a country and a state has made significant progress in rebuilding its institutions over the last almost three decades. Development partners have also tried to move beyond conventional approaches to TC design and management. The result is an emerging pattern of country-development partner collaboration that shows progress in developing capacity.

The one most cited in the interviews in Phnom Penh was that of the Public Financial Reform Programme. The box below sets out its key features and the particular reasons for its effectiveness to date. A special feature is the degree of harmonization and alignment that underpins the programme even among development partners who are not a formal part of the 'pooled' programme.

Box 5: Towards Effective Capacity Development – the Public Financial Management Reform Programme (PFM)

The PFM reform programme is widely regarded in Cambodia as an example of good practice in terms of setting standards for supporting reform and developing capacity through the harmonisation and alignment of aid behind a country driven programme. Important features of the PFMRP include tackling the challenges of coordinating TC inputs and of avoiding parallel project implementation units.

Key features:

- There is a single programme under country management (Ministry of Economy and Finance (MEF) that provides the framework for aligning DP support and working through national systems. There are no PIU structures. It is viewed as a long term reform process that will be implemented through a number of phases.
- A technical working group (TWG) comprising RGC and DPs oversees and monitors the implementation of the reform (although implementation itself is the sole responsibility of the MEF). It has established partnership principles that spell out rights and responsibilities of RGC and DPs in line with Cambodia's harmonisation and alignment agenda and action plan.
- Five DPs channel their resources through a World Bank Trust Fund, from which technical cooperation services can be financed. Eight other DPs, whose rules and procedures preclude participation in a pooling arrangement have aligned their project support to the PFM programme and participate in the TWG. This helps to avoid unilateral decision-making and action.
- The Economic and Finance Institute (EFI) has been appointed the focal point for capacity

building and is mainly responsible for the provision of training to Ministry personnel. Meanwhile the TWG has appointed a sub-group to assist in developing a more comprehensive capacity development strategy that takes account of organisational and policy issues. This will provide a stronger basis for determining TC inputs based on a common assessment of need. Discrete TA personnel inputs have already been identified within the PFM work plan and potential funders of these inputs identified. Proposals to mobilise TA are expected to be reviewed during TWG meetings. TA recruited in the framework of the basket fund is recruited by the MEF and is fully accountable to the Ministry.

- Rather than posting a long-term resident advisor, a part-time advisor provides support to the reform management team, which is fully responsible for the implementation of the reform.
- All the partners declare and discuss the costs, placement and numbers of all externally-supported TA.
- A harmonised merit-based pay supplementation scheme (MBPI) has been introduced as an integral part of the reform programme, as a medium term solution to attracting and retaining qualified personnel to carry forward the reform process.
- There is a single reporting framework that is based on Joint Monitoring Indicators.

Why it seems to work:

- The sector is relatively "un-contested", there being a shared commitment on the part of RGC and DPs to reform the public financial management system, especially the current phase that focuses on revenue generation.
- Cambodian managers are determined to reach internationally accepted standards of financial management.
- The lead Ministry (MEF) has access to highly qualified personnel at senior levels (vast majority hold first degrees), enabling the Government to take leadership and management of the reform process, and ensuring effectiveness of TWG.
- The process of reforming the PFM system, while likely to be resisted by some groups, is otherwise a comparatively technical activity that can be guided by internationally recognised good practice.
- The focus of the programme is on the MEF which is a relatively small institution, with clearly defined roles and functions and which is mainly Phnom Penh based.
- As a key agency of government, MEF carries the authority and legitimacy to carry forward its reform agenda including provision of merit-based salary supplementation scheme.
- Both RGC and DPs have learned from past practice in particular the short-comings of a previously highly fragmented TCAP programme which lacked RGC ownership and a common / shared strategy and vision.

Effective approaches to TC design and capacity development require increasing flexibility and responsiveness to changing Cambodian needs. One of the better examples of this

practice in action is that of the Flexible Support Fund for the Criminal Justice Sector. Box 6 below outlines this programme.

Box 6: The Flexible Support Fund in the Criminal Justice Sector

The RGC and AusAID have created a Flexible Support Fund (FSF) under the Cambodia Criminal Justice Assistance Project (CCJAP). Australia's assistance to the sector is guided by a strategic framework, which outlines the jointly agreed directions for the programme, while leaving flexibility to respond to the changing needs on the ground.

The main purpose of the FSF is to allow flexibility in the allocation of funds and to promote partner government involvement in decision making over resource allocation. The fund supports the mobilisation of technical assistance and capital works.

The fund has also been designed to allow for financial contributions from other donors in the sector, who are interested in moving into a more harmonised approach that is aligned with the objectives under RGC's legal and judicial reform strategy. It can also disburse grants to non-government organisations who are working alongside government to support the criminal justice system.

The allocation of FSF resources is decided through a National Management Board, chaired by the Ministry of Interior, with the Ministry of Justice and the Council for Legal and Judicial Reform Project Management Unit as deputies. Contributing donors are included on the executive membership.

Requests originate through the counterpart agencies and the final proposal is developed in close consultation with the component adviser. There are long term advisors within the Ministry of Justice, the Cambodia Council for Legal and Judicial Reform PMU, the Cambodian National Police, the General Department of Prisons and for Crime Prevention and Community Safety to support an integrated justice approach. The procurement and mobilisation of technical assistance is supported by the project team in close consultation with counterparts.

We mentioned earlier that development assistance to Cambodia continues to have a high proportion of TA personnel. While existing incentives for development partners do act to maintain these levels, it has proved possible for some development partners to reduce this proportion substantially. One example is that of DANIDA whose recent experience is set out below in Box 7.

Box 7: The Evolution of the DANIDA Programme in Cambodia

During the period 2000-2005, the DANIDA programme in Cambodia relied to a large extent on the use of external TA both long and short-term. A programme review calculated that between 40-50% of all disbursements went to cover TA costs on activities such as the Natural Resource Management and Livelihoods Programme[26]. A new approach began to be formulated in 2006 which aimed, amongst other objectives, to cut the level of external TA. A subsequent programme design of the above programme reduced TA to less than 10% of the total budget by moving to direct investment support, the use of local commune councils and Cambodian TA.[27] The decentralized authorities of DANIDA and the encouragement of the new approaches accounted in part for this major change in

[26] See *Lessons Learned from the Natural Resource and Environmental Programme,* Royal Danish Embassy, June 2007.

[27] See *Natural Resource Management and Livelihoods Programme Document*, 2006-2010, Danish Ministry of Foreign Affairs, April 2006.

programming.

A particular concern noted in the 2007 Cambodia Aid Effectiveness Report was the broad spread of development partner portfolios across different sectors, which has exacerbated the problem of fragmentation. EU member states are now taking steps to reduce the number of sectors they engage in, as illustrated in Box 8 below.

Box 8: EU Member "Road Map" for Increased Aid Effectiveness in Cambodia

The "European Consensus on Development" of December 2005 states that the EU will take a lead role in implementing the Paris Declaration commitments on aid delivery and that the EU will advance co-ordination, harmonisation, and alignment, while encouraging partner countries to lead their own development process and supporting a broad donor-wide engagement in national harmonisation agendas. The Consensus provides for the establishment of flexible road maps setting out how EU donors can contribute to countries' harmonisation plans and efforts.

A road map has been prepared among the EU member states providing support to Cambodia. It contains a list of principles and actions. Actions include holding monthly meetings to discuss strategic matters relating to aid in Cambodia, whenever possible, jointly carrying out activities such as diagnostic studies, project identification and appraisal and M&E, and establishing mechanisms for accelerated coordination and harmonisation in selected sectors.

More specifically, member states have agreed to limit their individual involvement to no more than three sectors. This is in response to the concern that too many development partners are involved in too many sectors causing excessive fragmentation of effort. The limitation of each agency to three sectors is expected to reduce the total number of projects, while facilitating harmonisation and alignment behind government strategies. It should also enable each agency to focus on those sectors where they have expertise, whilst in other cases, it may offer opportunities for sharing expertise. It also provides opportunities for DPs to practice delegated cooperation whereby the funds of one agency are entrusted to another agency to implement using the lead agency's procedures.

These actions should have a knock-on effect on technical cooperation resulting in more rationalised allocation of resources and reducing the total number of TA personnel as well as separate training programmes. It should also facilitate efforts to rationalise parallel salary supplementation schemes.

Meanwhile the European Commission is taking steps to reduce the number of parallel PIUs as described in Box 9 below.

Box 9: Reducing PIUs – European Commission Delegation Experience

In the past the ECD has been one of the main users of parallel PIUs. This is now changing. At least two factors are contributing to the reduction in the number of PIUs.

Revised Financial Regulations for Project Aid - New financial regulations were introduced in 2003 that require expenditures to be authorised by civil servants, and not by a contracted third party. As a result, there has been a shift from using parallel PIUs to manage projects to embedding TA within government departments to work alongside civil servants in preparing work plans and Terms of Reference. However, because of the weak PFM system, responsibility for procurement and financial management is retained by the Delegation's contracts and finance unit.

Shift towards Sector and General Budget Support – An increasing proportion of EC aid is now allocated to sector and general budget support. Project aid will become the exception rather than the rule. This will have a major impact on the total number of projects being financed and in turn the number of project implementation units required. In Cambodia for instance, between 20 and 30 % of support is being provided in the form of sector budget support to the education sector, while approximately 32 % of support could be provided in the form of general budget support. While a portion of budget support funds will be earmarked for TA, posts will be embedded within government departments.

4.4. THE CURRENT STATE OF EVOLUTION OF THE TC SYSTEM

It may be useful to look back for a moment at past analyses of the evolution of the TC system. In early 1995, a report by the World Bank suggested a TC strategy for Cambodia that would evolve through three overlapping but sequential phases. [28]

- A 'prerequisite' phase in which substitution TC would be used mainly to focus on the implementation of specific technical tasks rather than on the longer-term goals such as strengthening Cambodian capacities. This initial phase was projected to last from approximately 1995 to late 1998.
- A 'capacity building and institutional development' phase beginning in early 1999 would emphasize going beyond post-conflict work and helping Cambodia to develop the key institutions and organizations it needed to sustain its development.
- A 'consolidation' phase that would see the government of Cambodia managing the choice and deployment of all its TC requirements.

An analysis in 2002 took the view that 'the problem of this particular aid-dependent economy (i.e. Cambodia) is that it has become stuck in the prerequisite phase of technical

[28] World Bank, 1995, *Cambodia: rehabilitation program: implementation and outlook*, report for the 1995 ICORC Conference

assistance'[29]. The idea was that the TC system had become caught or trapped in a recurring pattern of behaviour beginning in 1994 and extending to a greater or lesser degree up to the point of analysis in 2002 or four years beyond the original World Bank estimate. Much of this pattern was not unique to Cambodia and reflected the genuine difficulties that arise in dealing with aid-dependent states with low initial levels of capacity.[30]

Many of the same patterns of TC outcomes evident in 2002 are still in place in 2007. But unlike 2002, we can now see evidence that changes in the behaviour of both the RGC and the development partners are beginning to shift the TC system towards improved coordination and an emphasis on capacity outcomes. Cambodian officials, for example, have become better able to manage external TC and to impose their own agenda on the programmes of development partners. The absorptive capacity of the RGC seems better in 2007 than five years ago. And development partners are also making much greater efforts to collaborate amongst themselves and support Cambodian objectives.

There thus appears to us to be three basic options available to the RGC and its development partners in improving the outcomes of the TC system.

- The *first* is to accept that the TC system is still "trapped" in a post-conflict mode of functioning and will need some dramatic actions to get it to shift to the capacity building and institutional development phase talked about in the 1995 Bank analysis. The 'window of opportunity' may still not yet be open in a serious way.
- The *second* option is based around the idea that the TC system has begun to shift in noticeable ways. The chances of moving beyond capacity substitution in a major way are promising. However, there still needs to be both sustained individual and collective efforts on the part of country actors and development partners to carry the change process forward.
- The *third* option is to take the view that the TC system is well on the way to achieving a new level of capacity development outcomes and does not require any special collective interventions to further advance the process.

Based on our exchanges with representatives of RGC and development partners, we believe that the second option most accurately responds to the current state of evolution of the TC system. First, we see the aid relationship maturing on both sides leading to better understandings and more effective co-ordination mechanisms such as the TWG/GDCC, the CDC and its various products and services and the shifts to programme-based approaches. Second, we also see the RGC developing the skills and confidence to provide greater

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[29] Godfrey, M., et al 'Technical Assistance and Capacity Development in an Aid-Dependent Economy, The Experience of Cambodia' *World Development,* vol. 30, 2002, p. 370.

[30] 'Donor or supply-driven nature of technical assistance which has led to excessive use, inefficient allocation, weak local ownership and hence limited commitment' Elliot Berg, *Rethinking Technical Cooperation,* 1993, p, 246

leadership as evidenced by the formulation of a National Strategic Development Plan, the formulation of various sector strategies and the disciplined implementation of the PFM reform.[31]

What needs more systematic attention is a third element outlined in the 1995 Bank study referred to earlier, i.e., the continued guiding of the TC system to focus more directly on capacity development. The recommendations that follow are thus made from the perspective that a special effort is required on the part of RGC and development partners to build on current efforts to reform the TC system in Cambodia as part of an overall effort to strengthen the capacity of the Cambodian state.

[31] See also the *Strategic Framework for Development Cooperation Management 2006-2010* also on the CDC website.

5. RECOMMENDATIONS FOR ACTION

5.1. GENERAL PRINCIPLES

Before moving on to the recommendations, we set out below some principles for improving the outcomes of the TC system which influence the choice of the more operational recommendations.

The Continuing Effort to Rebalance the Aid Relationship

Both the RGC and development partners are shifting their roles and relationship over time. The RGC will need to continue to build its capability to exercise more direct ownership and control over the operations of development interventions. Development partners will need to shift over time to a more indirect role supporting the efforts of the RGC. An implication of this rebalancing will be the need to put country ownership, motivation and capacity development at the heart of all TC interventions.

The Need for Capacity Development to Be a Shared Priority

We pointed earlier in this report to the ambiguous commitment of both the RGC and its development partners to the practice, as opposed, to the general idea of capacity development. In the future, both sides will need to be clearer about the consequences of making a serious commitment to capacity issues and be prepared to deal with them when they appear. The Joint Monitoring Indicators (JMIs) may provide an appropriate vehicle to detail mutual commitments and responsibilities designed to support capacity development in key sectors through the use of technical cooperation.

An Emphasis on TC Quality

As stated earlier, the comparatively high proportion of TC to overall aid in Cambodia – estimated at close to 50% of ODA - has raised concerns about the effectiveness of TC as an instrument of capacity development. While this figure is undoubtedly high we do not see the arbitrary eliminating of TC interventions as useful. A more effective approach in our view would be to address the issue of TC quality which, in turn, should induce levels of TC to fall.

The Need for a Collective Commitment to Reform the TC System

The initiative of the CDC and its development partners to commission this review of TC underscores the emerging collective commitment to improve the effectiveness of TC as part of the wider aid effectiveness reform agenda. We believe this is a genuine opportunity. The findings and recommendations of this report, together with on-going initiatives managed by CAR and other national work, for example by CDRI, should serve as inputs for stimulating a process of dialogue and action among the RGC and its development partners. As with any change process, the reform of the TC system will need to be carefully managed. Stroke-of-

the-pen decisions will not likely contribute much. A broad set of stakeholders needs to be brought on board to contribute to the reform of the system.

The Need for a Wide Range of Changes and Improvements

The reform of the TC system is a concerted undertaking comprising a broad range of actions some of which can be tackled in the short term, others that require a longer term perspective. Some actions can be tackled by individual agencies responsible for programming TC activities or even by the individuals directly involved in TC work. These are necessary but by no means sufficient. There are also some systemic and structural challenges to address that will require a more concerted effort on the part of the RGC and DPs. While some of these can be addressed at the country level, there are others that demand a response from, for example, the headquarters of development partners. The on-going global aid effectiveness dialogue, and in particular the forthcoming Accra High-Level Forum and the associated global TC study, provide an opportunity to discuss donor policies on TC provision and management.

The Avoidance of Development Dogma and Preselected Solutions

A message repeated on numerous occasions by Cambodian interviewees was that the process of improving the results of the TC system should be a pragmatic one that takes account of country realities. Development dogma, donor fashion and "one-size-fits-all" solutions should be avoided in favour of carefully crafted approaches that recognise the opportunities for, but also the challenges to, change. The Paris Declaration and the wider aid effectiveness agenda can provide an important point of reference for undertaking reforms but its implementation needs to respond in varied ways to Cambodian conditions. These variations manifest themselves between and within sectors and across government departments at the central and local levels. Being adaptable and contextually sensitive is important in order to ensure that a shared agenda emerges that enjoys the commitment and support of all parties involved.

The Recognition of the Limits of Technical Cooperation

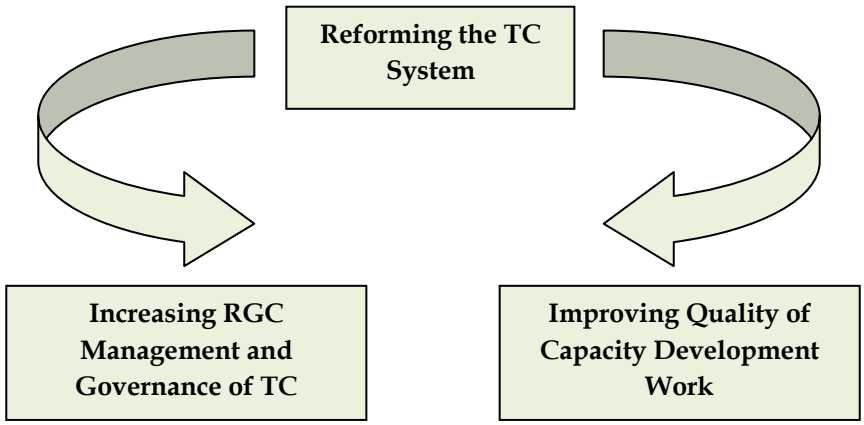
TC can serve as an important tool and catalyst for supporting country-driven CD processes. However, it can never be the main driver of capacity development, and cannot substitute for local initiative. In this regard, it is important to acknowledge the limitations of TC in influencing complex domestic change processes. Expectations regarding the effectiveness of TC in developing capabilities of state institutions need to take account of this fact. The production of any national, sectoral or programme document related to TC must therefore make explicit reference to the important but limited role that TC can play in the broader effort to build, develop and sustain capacity, as well as to identify other contributory factors that will influence capacity development in a particular context.

The Need to Develop the Capacity of Development Partners

Most analyses of TC focus on the need for country governments to change. Fewer deal with the need for international development agencies to rethink their behaviour, structure, incentives, staffing and systems. Implementing many of the provisions of the Paris Declaration itself will require Cambodia's development partners to adapt to new demands and circumstances.

The following recommendations for reforming the TC system in Cambodia are divided into two distinct but related parts:.

- The *first* part focuses on ways to improve the **management and governance** of technical cooperation. The recommendations closely follow Cambodia's on-going harmonisation, alignment and results agenda and seek to enhance the efficient and effective mobilisation and deployment of TC resources under government leadership
- The *second* complementary part focuses on ways to improve the **quality of capacity development work** undertaken with TC resources. It recognises capacity development as a practice area that is easily taken for granted and that deserves more careful consideration. The recommendations consider ways to enhance strategies and methods of engagement, design considerations and the roles and functions of TA personnel.



5.2. THE MANAGEMENT AND GOVERNANCE OF TECHNICAL COOPERATION

Ultimately, the key 'success factor' in improving the contribution of TC over the medium and longer term will be the intent, engagement and capacity of the Cambodian participants.

Box 10: Why Country Management is Important [32]

There are good reasons why countries should be in charge of TC management. It will enhance country ownership and commitment, and contribute to greater effectiveness by:

- Giving greater space for the market to match supply and demand.
- Better reflecting the priorities and interests of the partner country, and avoiding being donor driven/imposed, that can often lead to unwanted or "tolerated" TC.
- Helping to mitigate the perception of TC as a free good that discourages critical appraisal of potential costs and benefits.
- The absence of transparency on the part of development partners regarding in particular TA personnel costs, and the lack of opportunity for host governments to compare alternatives, constrains informed decision-making on the part of the host country.
- Normalising patron-client relations, which are distorted by having in effect two clients and simplifying accountability relationships related to supervision, monitoring and evaluation.

For this objective of country management to come about, two conditions need to be in place.

- The Government must see the value of TC reform and must work over time to encourage it. A number of development partners emphasised the importance of RGC taking the lead to energize such an effort. They saw it as counterproductive and inappropriate for development partners to lead the TC reform agenda in a serious way.
- Development partners must also intervene in ways that specifically encourage the Government to take on this ownership and control. Development partners need to think less about doing and accomplishing and more about helping and supporting.

Widespread agreement exists on the value of country management of TC. What is less obvious is the choice of strategy that should be tried in a particular country to create or strengthen the capacity to achieve that objective. What would appear to be at issue here is the overall capacity of a particular country to manage change in the form of TC management, knowledge accumulation, skill development, negotiations, innovation and constant adaptation. Box 11 below sets out an approach from Botswana in the 1980s.

Box 11: Managing Technical Co-Operation in Botswana: Lessons of Success

According to a World Bank study, public sector management in Botswana is "considered to be one of the most successful in Africa if success is measured by the capacity of a system to formulate and implement effectively strategies and programmes for economic and social development". This record

[32] Land, T, 2007 *Joint Evaluation Study of Provision of TA personnel Synthesis Report,* ECDPM Discussion Paper #78

of performance extends to the management of technical cooperation. Key elements of the Botswana approach are the following:

- The development and personnel requirements for TC are formulated at the macro and sectoral levels rather than on a project-by–project basis.
- TC planning is part of a broader process of planning and budgeting within the Government of Botswana. Most TC-filled positions are thus allocated through a rational process of choice and are expected to be maintained by the Government after the termination of overseas assistance.
- The process of TC management is centralized through the Directorate of Personnel which controls the volume, distribution and skill components of TC in Botswana.
- Systematic manpower planning helps to balance implementation requirements programmes of localization and capacity-building over the longer term.
- TC personnel are placed in professional and technical advisory rather than line positions at the middle levels of government departments and agencies.
- The Government has been able to impose its own priorities on donor programmes and avoid the 'donor-driven' syndrome present in other African countries.
- Many TC personnel are accountable to the Government rather than strictly to the donor agency.

Source: Raphaeli, N. 1987 Public Sector Management in Botswana: Lessons in Pragmatism, World Bank Working Paper

We think it unlikely that the RGC should go in the short or medium term for the Botswana option, i.e., more centrally managed, more strategic approach to TC management that usually requires the capabilities of a middle-income state to plan and direct. But we think Cambodia should continue to implement the 'mid-range' strategy that it has already chosen.[33] This strategy is based on two basic approaches: first, the use of a variety of coordination mechanisms involving both RGC agencies and development partners and second, the improvement of the capabilities of line agencies to design, negotiate and manage TC.

Specific actions to increase the RGC Management and Governance of TC could include the following:

[33] The CDC website contains a number of documents that outline the present strategy, e.g. *The Government-Donor Coordination Committee(GDCC) and Technical Working Group in Cambodia : A Review,* October 2006, *A Guideline on the Role and Functioning of the Technical Working Groups,* December 2006.

- Encourage RGC responsibility for design, procurement and management of TC
- Reduce aid fragmentation through increased harmonisation and alignment
- Strengthen RGC capacity for TC management

5.2.1. ENCOURAGE RGC OWNERSHIP OF AND CONTROL OVER THE DESIGN, PROCUREMENT AND MANAGEMENT OF TC

Identification, Design and Formulation of TC Interventions

Most of our discussions in Phnom Penh highlighted the constraints both the RGC and development partners face in inducing or supplying adequate RGC engagement in the identification and formulation of TC proposals. This pattern has raised the usual concerns about the relevance of donor-driven proposals, the extent to which such proposals are fully internalised and understood by national stakeholders and the extent to which RGC officials at various levels are committed in any kind of serious way to the subsequent implementation.

As mentioned earlier, we do not expect that the RGC can quickly develop the capabilities of the Government of Botswana to guide and shape the design of TC interventions. But we do think that a range of incremental steps can be taken by the RGC to play a more proactive role in project/programme design.

As previously discussed, the progressive shift towards sector wide / pooled approaches should help to ensure that TC proposals link up to broader government-owned strategies, provided that a dedicated effort is made to link the sector programme with capacity and TC requirements. But the real challenge is to ensure adequate engagement in the detailed design of projects and programmes. Possible ways forward include:

In the short-term:

- The provision of funding to RGC departments to hire consultants to assist with the development of project proposals, as per the experience of the Agence Francaise de Developpement (AFD) described in Box 12 below. This does not necessarily guarantee effective RGC engagement, but if properly managed can contribute to better definition of needs. It can also address the concern that top personnel simply do not have the resources and time to focus on proper preparation.

Box 12: Start-Up Fund to Facilitate RGC Project Preparation

To facilitate RGC participation in the conceptualisation and formulation of project proposals, the AFD

has established a fund located at MEF level that can be used by government departments to finance the preparation of project feasibility study in line with the agreed assistance strategy for Cambodia.

Once a request is approved, it is the responsibility of the government department to prepare the Terms of Reference, prepare an invitation to tender, award the contract and supervise the work. The process is therefore entirely managed by the RGC. As funding agency, AFD plays a supervisory and quality assurance role ensuring that rules and procedures are followed. It also functions as the banker and financial controller issuing payments upon instructions received from the client department.

The fund provides a response to the often cited complaint that government departments lack the human and financial resources to adequately prepare project proposals. The fund enables RGC to take initiative in preparing proposals rather than responding to proposals developed by DPs. However, experience suggests that the facility is not always used optimally. Terms of Reference are often not well prepared and require inputs from AFD; the work of consultants is not always well supervised by RGC. The recommendations of the consultants work is sometimes not fully internalised by government officials leading to problems of ownership and understanding.

- The preparation of some guidelines and checklists to help encourage fuller participation of RGC line agencies in the formulation and approval of TC project/programme proposals.
- The improvement of approaches to the diagnosis of needs and design of TC intervention strategies particularly with respect to capacity issues. This is looked at in more detail in the next section on CD approaches.
- The encouragement of RGC – possibly with TWGs serving as a 'clearing house' - to play a more active role in appraising proposals for TC against agreed criteria.
- More transparency from development partners about the options, costs and placement of TC. Access to this kind of information could help the RGC to be in a better position to make informed decisions about TC. A menu setting out strengths and weaknesses of the different options as well as the cost implications would be helpful.

In the medium-term:

- Ensuring that sub-sector strategies and programmes are developed and in place as a framework for detailed TC planning.

Box 13: The Use and Abuse of Strategies

Both the RGC and the development partners in Cambodia seem convinced, at least publicly, about the value of planning as opposed to searching.[34] In many cases, sector strategies did appear to provide a kind of road map or 'rules of the game' for all the participants. But other patterns of strategy use and

[34] The idea of 'planning versus searching' comes from William Easterly, *White Man's Burden*, 2006.

abuse were also apparent. In one ministry, Cambodian officials were reluctant to design and issue a sector strategy apparently on the grounds that it would reduce flexibility and also enable the development partners to be even more intrusive. A number of Cambodian officials also complained that development partners frequently felt compelled to follow their own strategies that guided their involvement in a particular sector.

In the longer-term:

- Improving the overall planning, monitoring and evaluation functions and related technical capabilities of line ministries to assume full ownership of their portfolio responsibilities. This is however contingent on tackling more fundamental challenges of pay, performance and retention in the public service.

Procurement

Given current concerns over fiduciary risk and the recognised weaknesses in the public financial management systems in Cambodia, development partners normally carry out the procurement of TC goods and services. The RGC itself appears to accept the advisability of this arrangement. Interestingly the ECDPM study on TA personnel found that, in view of the complexities involved and limited resources, many countries do not insist on taking over full responsibility for procurement given the more efficient and flexible procedures that development partners can offer.[35]

Yet, even where procurement responsibility remains with DPs, there are ways of increasing RGC participation in the procurement process in a way that can contribute to strengthening ownership. This is particularly the case as regards the procurement of TA personnel but can also apply to the procurement of other components of technical cooperation. At a minimum, the RGC can and should:

- Fully participate in the preparation of TORs and or tender documentation.
- Fully participate in review processes and chair review panels.
- Where senior personnel are being recruited to perform key functions, the selection process should go beyond a review of CVs alone and should involve direct interviews in which RGC officials, and other prospective counterparts, are directly involved in interviewing and selection.
- Continue to focus on the broader strengthening of national procurement systems in the context of PFMRP, providing scope to use budget support resources for securing TC support.

[35] Land, T, 2007 *Joint Evaluation Study of Provision of TA personnel Synthesis Report,* ECDPM Discussion Paper #78.

Contracting, Management and Supervision

Options should be explored to increase RGC involvement in the contracting, management and supervision of in particular TA personnel. Doing so will help "rebalance" the two-way relationship between client (i.e. the RGC) and the contractor (e.g. an individual expert or a consulting firm) which is usually distorted by the three-way relationship between contractor, funder and client organisation. Direct accountability should help to ensure a more productive working relationship between the host RGC organisation and expert. And it should encourage the RGC participants to take more ownership of the products and services delivered. Such a reporting arrangement should be an element of the overall management process if partner countries expect to be in charge.

Examples in Cambodia include that of the PFM programme where the MEF is responsible for the contracting and supervision of TA (though mainly short-term), and TA personnel financed by the French AFD, who are formally recruited and supervised by the client ministry. Evidence from other studies also confirms the importance of TA personnel being accountable to the host organisation.

Box 14: RGC Contracting of TA

Technical Assistance personnel funded by the *Agence Française de Developpement* (AFD) are directly accountable to the RGC.

Advisors can be recruited through one of two channels. If an advisor is required for technical services, then usually, TA is sourced through competitive tender. However, rules require that 80% of recruits be French nationals.

If an advisor is required with more administrative background, then TA can be sourced via France Cooperation International (FCI), a quasi public institution that facilitates the deployment of advisors from within France's civil service.

RGC is responsible for developing Terms of Reference, selecting candidates and for the day-to-day supervision and performance review of TA personnel.

Recruitment of the experts are based on a review of CVs (proposed by FCI if channel selected) or through competitive tender in the case of an expert provided by a company.

AFD provides funding, sets the overall conditions of contract, and facilitates the recruitment process. It also performs an oversight/quality control function in particular through a no objection process at the main steps of the recruitment process and in case of major modifications requested by RGC. However it has no contractual or reporting relationship with TA but can provide advice and guidance to both TA and client department on an as-needs basis.

Insisting on accountability to the host organisation does not automatically infer the avoidance of reporting to the development partner. A variety of joint or hybrid mechanisms for accountability are also possible, that reinforce the principle of mutual accountability. An example from GTZ is set out in Box 15 below.

Box 15: The GTZ Approach to Accountability and Reporting

GTZ is working to clarify its accountability relationships. Where a project is part financed by the national partner, GTZ will account for its contribution to BMZ but will ensure that this information is also provided to the national partner. In addition, GTZ will assist the national partner to account for its own input/ contribution to its own national authorities. This constitutes in itself a capacity development exercise. Joint agreement on performance indicators, for example provides a firm basis upon which the partners can share expectations, monitor progress, and review performance.

5.2.2. REDUCING LEVELS OF FRAGMENTATION THROUGH GREATER CO-ORDINATION AND COLLABORATION

As earlier noted, the RGC and its development partners have begun to take steps to co-ordinate support behind country-led strategies and systems. The RGC already has a Harmonisation and Alignment agenda which reflects many of provisions of the Paris Declaration. However, for a variety of reasons, which have already been discussed, the extent and depth of harmonisation and alignment remains limited. Nevertheless, the measured progress thus far achieved represents a major step forward in a longer process of aid reform. These developments carry implications for the effectiveness of technical cooperation and capacity development. Further developments to advance this agenda can be expected to yield a number of benefits, including:

- **Shifting the focus of TC for CD** from developing capacity to implement discrete projects to focusing on broader sector and organisational capabilities that are linked to the mandated functions of government departments & on-going reform processes.
- Providing opportunities for **a more coordinated and integrated approach to the assessment of needs and to the identification / formulation of external TC inputs** behind a sector/sub-sector strategy.

Box 16: The "Quadripartite Initiative" in Cambodia

During the course of 2004, The Asian Development Bank (ADB), UK Department for International Development (DFID), the United Nations system and the World Bank worked together to prepare their new Cambodia country plans/strategies. The initiative produced a common assessment of the country development challenges and risks; created an opportunity to compare programmes, identifying gaps, avoiding duplications and building synergies; reduced transaction costs by holding joint consultation meetings with all stakeholders (government, donors, civil society, and private sector) and future joint monitoring meetings; and last but not least established "partnership principles" in working together and with the government and civil society.

The country strategies are built upon the priorities and analysis embedded in Cambodia's National Poverty Reduction Strategy and the Government's Rectangular Strategy, and build on strengths and experience of the individual partners in Cambodia.

- **Reducing the number of separate projects** being implemented each of which requires separate project management arrangements including PIUs and which generate additional administrative burdens on participating agencies that can easily overwhelm available capacity.

Box 17: TA to Assist Council for Legal and Judicial Reform PMU to Improve Donor Coordination

The approval in April 2005 of a Legal and Judicial Reform Action Plan, has challenged Development Partners to renew their efforts and commitment to support the RGCs desire to develop and implement a sector-wide programme.

With this in mind, AusAID and DANIDA have mobilised a long term capacity building and aid effectiveness advisor to work with the RGC's Council for Legal and Judicial Reform Project Management Unit. The Advisor's main role is to strengthen the capacity of the PMU to lead the coordination effort - both of donors and between the justice institutions.

By its nature, this is a challenging sector to coordinate. It brings together various government agencies ranging from the police force to the courts, to the prison service. DP inputs have been difficult to coordinate and often the advice being provided has been contradictory or poorly sequenced.

- Creating conditions to reduce the overall volume of TC including of TA personnel by **encouraging pooled approaches** and identifying areas of potential overlap / contradiction.

Box 18: Potential for Pooling

Pooling offers a number of potential benefits for the management of TC and can serve as a vehicle for strengthening country ownership and management of TC and for aligning development partner support around national processes. In particular it:

- Offers a way to redress the balance of responsibilities for the overall management of TC and to encourage country ownership.
- Encourages harmonisation and alignment of development partner inputs around a common programme and thereby avoids fragmentation [36].
- Provides a framework around which to discuss and diagnose capacity needs at a sector or sub-sector level, to consider the potential contribution of TC and to identify appropriate sources of TC. And as funding is not necessarily tied to any one provider, it provides greater flexibility to source TC and consider alternatives.
- Can be used to encourage country partners to assume leadership and to increasingly utilise national systems and procedures for procurement, or alternatively to request development

[36] For example, where TA personnel is provided by a bilateral agency "in kind" within the framework of a pooled arrangement, then the TA expert will be guided by the overall objectives of the pooled initiative and will also be accountable to the pool members, rather than to the bilateral partner alone.

partners to provide TA in-kind or to assist with the procurement process.

- Provides a framework to monitor, learn and adapt to emerging needs.
- Encourages greater transparency of costs enabling country partners to make informed decisions.
- Reduces competition between sector advisers – 'adviser turf wars' – and leaves RGC to implement CD objectives through a more rationalised and coherent TC arrangement.
- Encourages an important bridge-building and partnership-strengthening approach to the use of TC which is important in the transition to programme-based approaches.

- Enabling TA to more easily **focus on CD objectives** rather than focusing on project implementation or financial control functions, though in practice a mix of functions is usual. This will require that TA is in future selected based on a capacity development profile and proven CD track record, rather than on a more limited range of technical skills. CD must be valued as an area of expertise in its own right; it should not be assumed that a competent technical adviser is necessarily able to work effectively to support CD objectives.

- Providing a basis for less ad hoc and **more rationalised and disciplined approaches to dealing with the issue of salary supplementations** and linking this to broader aspects of human resources management including pay reform[37].

- Helping to **stem the outflow of capable personnel** from the public service who are attracted to work for DPs as advisors to help implement projects.

- **Encouraging sector ministries to think more coherently about the appropriate roles and functions** of departments and how these can contribute to addressing sector priorities, plans and programmes, rather than functioning as relatively disconnected units that exist de facto to host DP financed projects. [38]

Box 19: The Health Sector

Health is a large and complex sector that is making strides to improve the internal coordination of functions as well as overall coordination of external assistance. However, it is estimated that there are over 100 projects active in the sector supported by a large number of multilateral, bilateral and NGO development partners active at central, provincial and commune levels.

[37] It should be noted that efforts to establish an RGC scheme (either Priority Mission Groups (PMG) or Merit-Based Pay Initiative (MBPI) are in place and that some agreement on donor harmonisation has been reached previously.

[38] Projects can of course serve the purpose of piloting and innovation, both of which can be important elements of any capacity development strategy. But too many pilots can easily overwhelm available capacity, and their value will be lost if they are not embedded within the broader sector policy framework, or if there is no mechanism in place to draw out lessons of good practice.

Although levels of fragmentation remain high, the Ministry of Health and its development partners are taking steps to improve overall sector management. The position of the Ministry is that it wants to accommodate all development partners through a mix of delivery modalities, and therefore supports a flexible approach to implementing the HAR agenda.

- A Health Sector strategic plan (2003-10) has been formulated supported by a combination of basket funding representing some 24% of sector funding and various parallel projects.
- There is a functioning TWG that builds on a variety of coordination mechanisms that pre-dates the set up of the TWG system. While it is one of the better functioning TWGs, its record in coordinating development partners is mixed.
- The Ministry has now established an international cooperation department to try to better manage external resources. However, much needs to be done to build its relationship within the Ministry and to develop an effective information management system to capture the nature and extent of external resources.

The challenges of developing capacity within the health sector are numerous, ranging from enhancing core functions at the headquarter level through to the management of health facilities and delivery of primary health care services.

- While significant progress has been made to train a cadre of health professionals, government health facilities experience a high level of brain-drain to the private sector as well as to development partner projects. The introduction of a merit-based salary supplementation scheme similar to that of MEF is currently being considered.
- At the senior level, there is evidence of growing confidence and leadership in guiding the strategy of the sector.
- Core functions especially procurement and financial management remain weak and currently, development partner funding remains largely off-budget.
- According to the CDC data, 52% of technical cooperation to the sector is coordinated. However, the Ministry itself lacks an overview of technical cooperation resources supporting the ministry and to date there is no over-arching capacity development plan for the sector.

- Creates the opportunity for the RGC through the **TWG system to assume greater leadership and responsibility for the management of TC resources** as a critical input to organisational and sector level capacity development.
- **Discourages potential predatory behaviour** on the part of government departments that might accept project support including technical cooperation for purposes of personal gain (status, resource flows, financial incentives etc.) rather than for the contribution to capacity development.

Technical Working Groups (TWGs) offer the obvious place to coordinate the mobilisation and deployment of technical cooperation resources. As discussed later on, TC for CD should be a standing item on TWG agendas, enabling an exchange among RGC and DPs on matters of policy, strategy and operations/programming. The next section of recommendations on

improving capacity development work offers some suggestions on the kinds of support / actions TWGs might be expected to play in this respect.

This outline of the merits of coordination and collaboration raises a point to do with maintaining the space for innovation and experimentation. In an effort to incorporate harmonization and alignment objectives into the use of technical cooperation, care should be taken not to raise harmonisation and alignment up to the level of a universal principle or a panacea that can apply everywhere and at all times. Effective development depends more than ever on the devising of a steady stream of creative and ingenious solutions and the 2007 Aid Effectiveness Report itself makes reference to the need to retain diversity and innovation. Project modalities can still offer valuable space for testing out new approaches or for providing complementary capacity development support that need not necessarily be integrated into sector budgets, plans and programmes. Some of the smaller development partners that are not major providers of development funds can offer in-kind technical cooperation support that can be well-placed to perform these niche functions and test out innovative approaches to implementation. While this scope for innovation must be preserved, this is not to say that the current high level of project support in many of the priority sectors is manageable or desirable.

5.2.3. BUILDING RGC CAPACITY TO DESIGN AND MANAGE TC

We round off this set of recommendations on the management of TC by listing some of the broader capacity challenges the RGC will have to address so as to assume fuller responsibility for TC management and governance.

Expanding the Role of the CDC

Expanding the role of the CDC to oversee the process of TC management and providing more support where possible to line agencies. An internal RGC TWG management review conducted earlier in 2007 has set out an agenda for such a potential expansion. As mentioned earlier, the RGC will function on the basis of mutual adjustment and cooperative behaviour rather than hierarchical control. We see the CDC as well as the Council for Administrative Reform (CAR) as key instigators on the RGC side of this facilitation and support.

Developing the Capabilities of Line Agencies

TC provision must increasingly focus on supporting more comprehensive and broad-based organisational strengthening, not just on technical functions of ministries and agencies. This will include support to human resource management and general administration functions:

- Strengthening the human resource management function within line ministries in an effort to encourage better planning and capacity development at the agency level.

- Strengthening the leadership and management skills of senior personnel of ministries and departments.
- Strengthening in-house human resource development / training units.
- Strengthening the capacity of the Council for Administrative Reform to provide overall guidance to public service capacity development and to support long-term workforce planning.

Developing Public and Private Service Resource Providers

Developing a network of public and private service providers (tertiary institutions, private consultancies, research organisations, NGOs) in the area of human resources development and organisational development.

Considering the Establishment of an Independent Monitoring Group

A number of countries in Africa such as Tanzania and Mozambique have established independent monitoring groups that review the performance of both government and development partners with respect to aid management and delivery. Such groups usually are comprised of three members including a chairperson from the country, an external participant and one other country member. In principle, the group has the legitimacy and the independence to review progress, monitor commitments and suggest improvements. They report once a year.

A number of CDC and development partner officials are familiar with this initiative and could assess its relevance for aid management in the Cambodian context.

5.3. IMPROVING CAPACITY DEVELOPMENT PRACTICE

If the effectiveness of TC for CD is to improve in a meaningful way, then a concerted effort will be need to be made to improve the conceptualisation, design, implementation and monitoring of capacity development work. It is not sufficient to focus only on reforming the management and governance of TC.

Helping to develop the capacity of partner organisations is in fact specialised and complex work. This is not always recognised. Overall, a more thought-through approach to capacity development work is advised. Since the principal aim of technical cooperation is supposed to be to help develop capacity, it follows that appropriate attention should be paid to the "how" aspects of capacity development. We think that more efforts need to be made to further "unpack" current thinking and ideas on the subject in Cambodia.

In this section, we outline a set of issues and recommended actions for consideration by the RGC and DPs for improving the practice of capacity development. *A number of these issues and recommendations are more specialised in nature and target those persons and organisations that might have the direct responsibility for the conceptualisation, design, execution and review of capacity*

development work. The RGC and DPs are advised to proceed selectively and slowly with the adoption of these recommendations to avoid the risk of overwhelming existing capacity and undermining government ownership of any proposed new practices.

Improving Capacity Development Practice

- Discuss and Learn
- Improve Design
- Better TA Personnel
- Centrality of Public service reform
- Develop Partner Capacity

5.3.1. DISCUSS AND LEARN MORE ABOUT CAPACITY ISSUES

The recommendations in this report will hopefully contribute to a process of dialogue and learning on technical cooperation and capacity development between RGC and DPs. Capacity development - and the role of TC in supporting it - needs to be an on-going agenda item that is addressed at policy, strategic and operational levels.

- CDC should seize the opportunity together with its partners to take this agenda forward. The TWG on Partnership and Harmonisation offers a venue for agenda setting and steering the process but its success will depend on the discussion being carried forward to the individual sector/thematic TWGs, which should ideally serve as focal points for addressing TC for CD. It is equally important to ensure that discussion on the role of TC for CD is linked to the wider discussion on public service reform and that the CDC and CAR guide this process of dialogue (see further below on public service reform).

- The topic of TC for CD should become a standing item on the agendas of the TWGs so as to ensure that it receives the attention it deserves and that progress on tackling issues raised and recommendations proposed in this report are regularly monitored and reported on.

- CRDB/CDC is also encouraged to develop a simple "tool box" comprising guidance notes and instruments on capacity development and to maintain a simple website that can serve as a resource / point of reference for the TWGs and the organisations they represent. This will help ensure that the discussion maintains an operational focus.

Box 20: Possible Elements of a Capacity Development Tool Box

Short concept paper on TC for CD principles
In order to build consensus and shared understanding among partners, CDC is encouraged to produce a short concept paper that sets out working definitions and principles regarding technical cooperation and capacity development.

Simple capacity assessment methodologies to facilitate CD discussion at sector / sub-sector levels
To assist stakeholders to undertake appropriate assessments of capacity, CDC could produce a short guide on available methodologies setting out their potential uses. It should at the same time avoid proposing a blueprint approach, by limiting options and emphasise customisation.

Data-base of good practice on TC for CD
It could prove useful for CDC to set up a data-base of good practice. This should not become a major undertaking. It could involve commissioning short 5-10 page reviews of TC for CD experiences. This could draw on work of different TWGs and help through practical illustrations to broaden awareness and understanding of what works and why. Work could be carried out with a research institute or with interns.

Overview of available TC instruments that can support CD work
CDC is encouraged to produce a short guide on TC instruments including different modes of TA personnel. A glossary of terms should be included to help clarify the many different roles and functions that TA can perform. Such a guide would help government partners to think more carefully about the options available and to specify more accurately their needs. It could be used by members of TWG in reviewing proposals for use of TC.

Guidelines on CD questions to raise in project/programme appraisal process
CDC could produce a set of guideline questions that can be used by TWG members and DPs in the development and appraisal of TC programmes. The guideline questions could help provide an orientation and offer a set of key questions that can be used in reviewing proposals for CD activities. This would include issues related to harmonisation and alignment, but also questions asking about how CD is understood, how activities are expected to support CD, justification for inputs and indicators.

Web-site
The above papers, tools and instruments could be lodged on a simple web-page on TC for CD housed under the CDC home page on aid effectiveness.

- Reports on progress with implementing TC for CD reform could be prepared for review at GDCC and CDCF meetings.

5.3.2. IMPROVE THE DESIGN OF CAPACITY DEVELOPMENT INTERVENTIONS

As in many other countries, both the RGC and its development partners have much to do to improve the quality of capacity development work so as to ensure that TC responds

appropriately to its various capacity challenges. Various actions can be taken to improve quality of capacity development interventions.

Overall, the **RGC** needs to be better able to:

- **Set priorities** for capacity development that are linked to national, sector and sub-sector development objectives.
- **Effectively diagnose** the factors that constrain and enable capacity development, including an understanding of the underlying factors that encourage or impede public sector performance.
- **Propose principles** for capacity development within which an appropriate role for external partners can be identified. We would note at this point that we are uneasy about the prospect of the RGC and its development partners devising a comprehensive 'capacity' strategy, something that has proved unwieldy and unproductive in other countries. But we do support the idea of establishing shared principles that the RGC and its development partners can then use across a range of circumstances.

In turn, **Development partners** need to be able to:

- Devise **strategies and approaches** for supporting what are often complex, and sometimes politically sensitive change processes and to think carefully about the role that TA personnel in particular might play in developing capacity above and beyond the technical level at which they are presently focused.
- Remain **engaged** by investing in and support capacity development as an area of specialised knowledge and practice, even as they progressively hand over responsibility for the management of technical cooperation to their country partners.

Four areas of attention are proposed here:

- Rethinking **modes of engagement** for capacity development in a post-conflict/reconstruction context
- Improving the **diagnosis and assessment of needs**
- Exploring a broader range of **capacity development strategies**
- Developing **appropriate monitoring and evaluation systems**

Re-Thinking and Shifting the Modes of Engagement between the RGC and Development Partners

In general, there are four modes of engagement between countries and their development partners. These are the following in descending order of external intrusiveness.

- An intervention in which external interveners take direct control of a particular region, programme or activity. Such an approach is frequently used in war-torn countries to impose order and security. This does not apply to Cambodia.

- The 'direct' approach in which external interveners diagnose and prescribe solutions for the consideration of country managers. This has also been called the 'tell and sell' model. It assumes that there is a right answer to a particular problem and that the external intervener can find and/or implement it. The focus is more on product than process. Country ownership and engagement may be ambiguous.

- The 'indirect' approach assumes that country participants remain in logistical and psychological control of the activity. They work in collaboration with external actors to jointly devise new solutions. There continues to be a focus on technical issues but 'telling and selling' does not predominate. Product and process are balanced. Collaborative learning is emphasized.

- The 'pure process' approach pushes external interveners towards process, facilitation and support. TA involvement in technical issues declines and is replaced by an emphasis on capacity development. The goal is to help country participants develop the skills and attitudes to manage their own programmes.

Most TC-supported programmes in Cambodia will have elements of the last three approaches. But the goal over the medium and the long-term should be to shift TC interventions toward the indirect and the pure process models.

Improving the Diagnosis and Assessment of Capacity Development Needs

Development partners and the RGC need to invest in a more thorough diagnosis of capacity challenges and related contextual factors as a basis for designing appropriate support programmes, including the right mix of TC inputs. This is especially important because the nature and extent of capacity issues varies significantly. It is therefore important to scope interventions accordingly. A proper diagnosis should be able to distinguish:

- Symptoms from causes

- Short term versus long term actions

- Issues that are of an individual, organisational, sectoral and broader societal nature

- Consider a broader range of CD factors, including issues within the organisation that are non-technical, e.g. related to communication, motivation, management, coaching/mentoring, administration, use of information systems etc.

- Strengths and opportunities to build on versus gaps and weaknesses to tackle

- The formal versus informal

- Issues that lend themselves to technical solutions versus those that might require more political intervention
- Factors that might encourage change versus factors that might constrain or block change (sector dynamics, reform readiness, drivers of change).

Various tools exist that can help assess capacities and related contextual factors. Literally hundreds of such tools and frameworks are available on the Internet, from development partners, from other RGC departments and from consultants. [39] The challenge is to use ones that are most relevant for particular situations and organizations. And also to use such tools as an aide to judgement and assessment rather a replacement.

A capacity assessment methodology could serve different but complementary purposes:

- RGC – in dialogue with TWGs - should be encouraged to lead general capacity assessments of their sectors in order to support the preparation of sector development strategies. Such an assessment could be helpful in determining the scale and magnitude of capacity issues and to set basic priorities around which external support might be mobilised. This would serve primarily as a mapping and priority-setting exercise.
- Thereafter more in-depth assessments could be undertaken as part and parcel of the identification and formulation of projects and programmes. Clearly the focus and extent of these will depend on the nature of the proposed programme and whether or not a project or programme perspective is being employed.
- As part of programme implementation and monitoring, capacity self-assessments could be used by stakeholders themselves to monitor change in capacity and performance over time. In this context, an assessment would serve primarily as a management and learning tool to help organisations guide their own CD process.
- Capacity assessments can also be used to establish baseline information against which progress can be tracked over time. This can be helpful for external partners who need to account for TC expenditures. (see further under M&E)

Exploring a Broader Range of Capacity Development Strategies

We need to keep in mind that capacity development is a form of change. It can be personal or organizational. It can be simple or complex. It can be short or long term. A recent study has illustrated the range of different strategies that can be employed from those which are

[39] A number of development partners have developed assessments instruments. Examples include: UNDP (2006) *Capacity Assessment Practice Note*, UNDP New York; Europeaid (2005) *Institutional Assessment and Capacity Development, What, Why and How,* European Commission.

more planned and technocratic to those which are more emergent and informal.[40] The suitability of any one approach might depend on the nature and degree of complexity associated with the envisaged capacity development[41].

Readers will note here that many conventional strategies in the form of capacity development rely on the classic techniques of planned and intentionally managed change – clear objectives, predicted results, scheduled activities. As the situation becomes progressively more uncertain and conflicted, the more participants need to employ more emergent, adaptive strategies that can deal with complex unprogrammable change. This need to consider a much wider range of capacity development strategies raises a series of other questions:

- Whether incremental or more transformational change is appropriate?
- What mix of TC inputs is suitable and with what effect?
- What balance to strike between product and process (see box below)?
- What level of flexibility and openness should be provided for in the design?
- How to harmonise and align the TC inputs of different providers to ensure support of a common CD/change process?

Box 21: Managing the Tension between Product and Process

One of the main challenges in designing effective strategies for capacity development is managing the tension between product and process. Current emphasis on performance measured in terms of tangible outputs risk undermining a focus on the process dimensions of capacity development. Experience confirms that an undue focus on product can undermine efforts to develop capacity and result in capacity substitution. Yet an exclusive focus on process can be equally un-satisfactory as well as being politically unacceptable on all sides. A balance between the two is needed.

Effective design does not imply over-design or rigid design. In some cases loose design can be an advantage. Effective interventions are often associated with flexible and iterative approaches such as rolling plans that recognise change and capacity development as long term processes that cannot be easily predicted. This is especially important in complex and politically sensitive environments where the momentum and direction of reform can quickly change.

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[40] *Capacity, Change and Performance*, draft report by the European Centre for Development Policy Management, forthcoming.

[41] See Brenda Zimmerman, Curt Lindberg and Paul Plsek, *EdgeWare: insights from complexity science for health care leaders,* 2001, p. 140

Box 22: GTZ's Flexible Programming & Budgeting

Capacity development programmes supported by GTZ such as in the Land and Health sectors are designed with a long term perspective in mind. A commitment to support a sector for as long as 10 years provides a framework within which two to three year rolling plans and budgets are developed.

Plans and budgets are quite flexible and considerable discretion is given to the team leader who in consultation with the counterpart organisation can set programme priorities and re-allocate budgets on the basis of emerging priorities and needs. This is believed to reinforce country ownership of the cooperation programme.

GTZ advisors recognise the need to work at individual, organisational and system levels – this can include engaging as a dialogue partner on emerging policy issues, testing out new instruments and implementation modalities, linking different groups together to share knowledge and experience as well as mentoring of staff.

Developing Appropriate Monitoring and Evaluation Systems

Part of the challenge of capacity development work is devising a suitable framework for monitoring and evaluation. Much capacity development work is process oriented and long-term. Most deals with behavioural and intangible aspects of individual competency and organisational capabilities that emerge often in unpredictable ways. Almost all deal with both process and product or in some cases product as process. Capacity issues thus do not lend themselves easily to conventional, results-based forms of measurement.

This reality presents a number of challenges:

- From the point of view of **accountability,** it can be difficult to provide evidence of impact and to demonstrate value for money or effectiveness of particular interventions.
- From the point of view of **learning**, it can be difficult to monitor change and progress over time, to establish causality and to understand what works and why.
- From the point of view of **management**, it can be difficult to provide practitioners with real time information that can help then deal with daily operations.
- And from the point of view of **incentives** and performance measurement, it becomes difficult to define performance outcomes and result areas for TA personnel that can be the basis for priority setting, work planning and performance appraisal. It is also important to avoid **perverse incentives** that might encourage TA personnel to focus on realising tangible results at the expense of contributing to less tangible and measurable CD processes.

Part of good design is therefore developing an appropriate monitoring framework that supports capacity development work. At the programming level, both RGC and development partners should seek to:

- Agree up front on the CD objectives and strategies that are to be used in a particular intervention.
- Define indicators that can best describe the kinds of changes in competencies, capabilities and capacity that the intervention is expected to generate.
- Specify the CD tasks and responsibilities that TA personnel are expected to perform within their TORs / job descriptions.
- Select appropriate monitoring and evaluation frameworks that can best provide evidence of performance and results. In this regard, there are a wide variety of monitoring and evaluation methodologies that can be used to measure capacity, change and performance. Examples of some alternative methodologies are provided in the box below:

Box 23: Some Alternative Approaches to the M& E of Capacity Issues.

A variety of groups around the world have designed monitoring frameworks that are more suitable to apply to capacity issues. Four examples are the following:

- **Outcome Mapping** by the International Development Research Centre. This methodology focuses on monitoring changes in participant behaviour.
- **The Most Significant Changes approach** which looks at both the intended and unforeseen consequences of capacity development interventions.
- **Systems approaches to M & E** which go beyond the conventional input, output, outcome categories to look at systems change and development.
- **Measuring Empowerment** by the World Bank that addresses the way individuals, groups and even whole countries develop the power to act and perform.

- A joint RGC-DP task force might collaborate on devising an approach to the M&E of capacity issues that could provide guidance to future efforts.
- The RGC and TWGs are encouraged to set up a simple mechanism to allow potentially useful new approaches to capacity development to be documented and disseminated. This would encourage the exploration of innovative practices while ensuring that such experiences are fed into a wider learning process about what works and what does not.

5.3.3. IMPROVING THE EFFECTIVENESS OF TA PERSONNEL

TA personnel perform many different roles and functions. Sometimes these are directly related to capacity development but often they are not. This is not unique to Cambodia and even here the role and required skills of TA are changing as programme-based approaches are introduced. Our interviews confirmed the wide range of functions that TA perform.

The ECDPM study on TA personnel likewise points to the wide range of functions that TA perform, depending on the wider aims and objectives of the project/programme.[42] The problem is that these functions are not usually well spelt out. In practice there is often a conflation of roles. TA personnel whose main task is to develop capacity often find their task ill-defined. Training of counterpart staff is often assumed to be the main vehicle for capacity development. How TA personnel are expected to contribute to organisational and system level capacity is generally not well explained.

Box 24: Different TA Roles and Functions

- Providing advice and influencing policy change and/or institutional reform
- Assuring minimum functionality within a government agency to deliver essential goods/services
- Substituting for scarce skills in highly technical fields through gap-filling
- Promoting dialogue and exchange between societal groups including conflict resolution
- Managing fiduciary risk as a condition for financial assistance through budget support
- Implementing discrete projects related to infrastructure development
- Developing the capacity of staff, organisations and systems

- The purpose and proposed roles and functions of TA should therefore be fully discussed during the design of any intervention. The following set of questions illustrates the kinds of issues that should be addressed:
  - Is TA justified at all and if so, to do what?
  - Is a single person sufficient or is a team warranted?
  - Is their contribution significant or marginal to the overall intervention?
  - What roles and functions should be performed and what tactics and strategies employed?
  - What contribution can TA personnel reasonably be expected to make, and how should responsibilities for outcomes be shared with host organisation staff?
  - What sorts of performance indicators are appropriate?
  - What kind of TA is most suitable ? long-term or peripatetic, international or national etc.?

[42] Land, T, 2007 *Joint Evaluation Study of Provision of TA personnel Synthesis Report* - ECDPM Discussion paper #78

- It is important to be clear about the actual purpose of deploying TA personnel, in particular whether a role is genuinely advisory or in-line. Being clear about the purpose enables more accurate terms of reference to be drafted, ensures a better match of potential candidates to the job, and helps establish more transparent performance expectations.

- A glossary of terms should be produced to help clarify the many different roles and functions that TA can perform. It can also provide a common basis on which to discuss strategies and needs between partner countries and external agencies. This should in particular explain the various roles that TA can perform in relation to capacity development.

- Part of good design is however being realistic about what TA personnel can do within the period of their assignment, as well as leaving space to permit the personnel involved to adapt approaches as needed. The more politically and culturally sensitive and far-reaching an intervention is likely to be, the more fundamental this principle becomes. In most situations, TA personnel function at the margins of the political process, as one facilitator amongst many of societal change.

Interviewees in Cambodia also remarked on the importance of picking the right person for the job, and noted the difficulty of finding persons with the right profile, that combine the needed substantive skills and knowledge, with the needed soft skills. The approach and attitude that TA personnel bring to the job, including sensitivity to cultural norms was underlined on a number of occasions. Similarly, the earlier cited ECDPM study identified the following as being crucial:

- Familiarity with local context and government culture

- The overall attitude of expatriates and approaches that are non-didactic/dictatorial

- The ability to listen, learn, reflect, adapt previous experience and show humility

Process skills are also as important, particularly where TA is expected to play a change agent or process facilitation role. In this respect, it is crucial that TA personnel fit into the organisational environment to which they are attached and that they are able to build up relationships of trust and respect. This was underscored on numerous occasions by Cambodians. These become all the more important as the role of TA shifts from a primarily "doing" role where substantive skills count to a support function where communication, mentoring and facilitation are key.

Box 25: The Value of Proper Induction

The literature as well as practitioners interviewed recognise that the proper induction of TA personnel is an essential step in the TA management process. Yet it does not receive the attention it deserves. Countries tend to see this as the responsibility of the sending organisation. TA personnel note that it would be helpful for receiving organisations to prepare better for the arrival of TA, and

make the case that induction is as important for counterparts as it is for prospective TA.

We did not focus to any real extent on the issue of the use of Cambodian TA. The arguments for using national experts are well-known and revolve around contextual knowledge, growing expertise, lower cost, opportunities for capacity development, ease of recruitment and language skills. In a number of programmes we looked at such as the PFM or the DANIDA National Livelihoods, much greater use was being made of national expertise at all levels. We are assuming that the increasing use of Cambodian consultants will be part of the larger shift on TC design and management discussed earlier in this section.

5.3.4. THE CENTRALITY OF PUBLIC SERVICE REFORM

We have already noted that TC can contribute to the strengthening of various state capabilities, but responsibility for creating an enabling environment for retaining and utilising Cambodian capacity must be a country responsibility. There are both political and technical issues here, many of which are complex and long term in resolving. Notwithstanding this, progress on the implementation of Cambodia's public administration reform must remain a priority.

TC can contribute in important ways to supporting RGC efforts to implement public service reform, as illustrated in the PFM. But its ability to contribute to sustainable capacity development across Government sectors is undermined where basic framework conditions are wanting. Motivation, as a function of among others, pay, leadership and appropriate forms of human resources management is critical here. Capacity development work and the potential contribution of technical cooperation is easily frustrated in the absence of appropriate motivation. Staff are not willing to learn, and may well moonlight or engage in corrupt practices to increase income. Good staff are likely to seek greener-pastures leaving an over-stretched core of loyal staff to attend to the demands of work supported by less capable staff who may be under qualified for the posts they hold.

Good CD design and provision of quality TA personnel are no substitute for creating an enabling environment for change and public service performance. Design of CD interventions need to be considered as an integral part of public service reform. Discussions on the sustainability of TC contributions to capacity development should therefore be linked to wider discussions relating to underlying factors that encourage or impede public sector performance. In so doing it would be appropriate to reflect how far the task is one of capacity development or whether the attention of TC should instead be focused on harnessing, motivating, and utilising existing capabilities within the system.

5.3.5. IMPROVING THE CAPABILITIES OF DEVELOPMENT PARTNERS

The main focus of this report has been on the capacity of the RGC and the range of improvements and techniques that may be useful in addressing capacity issues. The TORs of this study do not extend to analyzing the capabilities of development partners themselves to

deal with these same issues. But their presence or absence remains a key factor in inducing improvements in TC to Cambodia.

Box 26: Some Obstacles to Changing Development Partner Practice

- Power of funding imbalances the relationship
- Desire to maintain own strategy and identity
- Single projects more manageable
- Lack of trust and concern about risk and corruption
- Challenge of internal coordination and harmonization within the government system
- Lack of delegated authority to enable more DPs to engage more flexibly
- Differences on policy choices and substantive issues, not just approaches
- Donors reluctance to communicate and share lessons/knowledge

A good deal of experience is accumulating on this issue of improving development partner capabilities. Part of the collective learning and coordination in the Cambodia case may thus be in the area of development partner reform.[43]

5.4. NEXT STEPS

The RGC and its development partners are already engaged in an on-going process of discussion and experimentation on aid coordination. We see that as an activity of adjustment and realignment that will continue as long as Cambodia remains a major recipient of development cooperation. This process thus already has an agenda both formal and informal. We have no useful detailed 'next steps' to suggest that the RGC and DP participants would not already schedule on their own.

What we would suggest is a coordinated effort to give more systematic attention to capacity issues. We have made specific suggestions to that effect in the report. What needs to be done in our view are at least five things:

- To do more case work to get a more evidence-based sense of what works and what does not in the Cambodian context. The principal value-added will be to identify particular TC practices that can support CD and allow the broad set of recommendations included in this report to be more efficiently prioritised and structured.

[43] For an example of some of this experience, see OECD/DAC Working Party on Aid Evaluation, *Donor Support for Institutional Capacity Development in the Environment: Lessons Learned,* 2000. This document was drafted mainly by Dr. Andrew Wardell, currently the Counsellor-Development at the DANIDA office in Phnom Penh.

- To pull these patterns together in a way that can generate some basic principles of practice. This will include translation of the final text of this document, considerable consultation, and broad-based efforts to build consensus across Government, in the development partner community, as well as between the two.

- To discuss these principles and approaches at the Partnership and Harmonization Technical Working Group in an effort to induce and guide more coordinated action by both the RGC and its development partners. This could include developing some method, possibly via the national budget exercise, to identify TC/CD requirements (needs assessments, TC requirements and management/monitoring arrangements etc) and to allocate resources efficiently. In the absence of other institutional arrangements, the TWG could become the main hub for TC coordination at sector/thematic level (as envisaged in the TWG Guidelines).

- To include more explicit reference to CD in the JMIs as an indicator of the increased importance placed on this issue as well as to underline a mutual realisation that other priority objectives will not be achieved without strengthened CD support.

- Consider the merits of introducing some form of independent monitoring exercise to review progress on CD as part of the broader aid effectiveness agenda and the mutual accountability commitments that are included in this work.

ANNEX 1: LIST OF PERSONS MET

Name	Function	Agency
Nisha Agrawal	Country Manager	World Bank
Jean Marion Aithea	Health Adviser	DFID
Savina Ammassari	Advisor	UNAIDS
Helen Appleton	Social Development Adviser	DFID
Jacinta Barrins	Senior Advisor D&D	UNDP
Stephanie Bertrand	Multilateral Cooperation officer	French Embassy
Eric Beugnot	Directeur	AFD
Jean-Marc Bouvard	Technical Advisor	Ministry of Agriculture, Fisheries and Forestry
Peter Bolster	Chief Technical Adviser	GTZ
Veasna Chea	Social Development Adviser	DFID
Herve Conan	Charge de mission	Agence Francaise de Developpement
Tim Conway	Senior Poverty Specialist	World Bank
Philip Courtnadge	Senior Adviser	CRDB/CDC
Srun Darith	Dep. Secretary General	CARD
Kate Elliott	Second Secretary	AusAID
Anne Erpelding	Programme Coordinator, Support to Health Sector Reform	GTZ
Dominique Freslon	Cooperation and Cultural Councellor	French Embassy
Dylan Gelard	Programme Manager	UNDP
Arjun Goswami	Country Director	Asian Development Bank
Daniel Haas	Counsellor Devpt Cooperation	Embassy Germany
Shafinaz Hassendeen	Analyst	ILO
Eiichiro Hayashi	Aid Coordination Advisor	JICA Cambodia
Angela Hogg	Programme Officer	USAID
Ngo Hongly	Secretary General	Council for Administrative Reform
Dirk Horemans	Project Co-director	BTC
Eng Huot	Secretary of State for Health	Ministry of Health
Mia Hyun	Poverty Specialist	World Bank
Shinohara Katsuhiro	Ambassador	Japanese Embassy

Name	Function	Agency
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Lay Khim	Team Leader, Environment	UNDP
Sim Kimyan	Director	
Jens Knudsen	Agric & Rural Development Advisor	AusAID
Mark Lawler	Programme Coordinator	UN Volunteer
James Lee	Asia Regional Case Study Consultant	Joint Study on Effective Cooperation for capacity development
Alice Levisay	Representative a.i	UNFPA
Peter Lindenmayer	First Secretary	AusAID
Daniel Costa Llobet	First Secretary	European Commission Delegation
Norio Maruyama	Minister	Embassy of Japan
Mikio Masaki	Aid Coordination and Partnership Advisor	CDC/CRDB
Belinda Mericourt		AusAID
Mak Mony	Chief	Ministry of Agriculture, Fisheries and Forestry
Emi Morikawa	Aid Coordination Advisor	Embassy of Japan
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Min Muny	Programme Manager D&D	UNDP
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John Nelmes	Resident Representative	IMF
Eng Netra	Research Manager	CDRI
Tola Nhean	Programme Officer	JICA Cambodia
Marjolaine Nicod	Aid Effectiveness Adviser	DFID
Michael O'Leary	WHO Representative	WHO
Theno Pagnathun	Director	Ministry of Planning
Narin Piseth	Officer	Ministry of Health
Neang Putheara	Deputy O&M	CDC
Mike Ratcliffe	Study Coordinator	Global Study on TC for CD

Name	Function	Agency
Chan Rotha	Director of Planning	Cambodia Mine Action Authority
Michael Rymek	First Secretary (Development)	CIDA
Sok Saravuth	Manager	Budget Dept, Ministry of Economy & Finance
Heinrich-Jurgen Schilling	Country Director	GTZ
Chea Sengyi	Deputy Chief	Ministry Economy & Finance
Suy Serywath		FTA
Eric Sidgwick	Senior Country Economist	Asian Development Bank
Khieng Sochivy	Deputy Programme Manager	DFID
Horn Sokhemrin	Personal Assistant	Cambodia Mine Action Authority
Chea Sokhim	Deputy Director, Dept. for international Cooperation	Ministry of Health
Poch Sophorn	Advisor, Land Mgt Project	GTZ
Erin Soto	Mission Director	USAID
Sar Sovann	Project Director	Land mgt and Admin Project, Min of Land Mgt, Urban Planning and Construction
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Larry Strange	Executive Director	CDRI
Elaine Tan	Country Coordinator	UNIFEM
Tuon Thavrak	Director General	Ministry of Planning
Nhean Tola	Program Officer	JICA
Chan Tong Yves		Ministry Agriculture, Fisheries and Forestry
Coco Ushiyama	Country Director a.i.	WFP
Mak Vann	Secretary of State	Ministry of Education
Sao Vannseoyruth	Director	Ministry of Women's Affairs
Andrew Wardell	Development Counsellor	DANIDA
Tom Wingfield	Governance Adviser	DFID
Chhieng Yanara	Secretary General	CRDB/CDC

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ANNEX 3: TERMS OF REFERENCE

A STUDY ON THE PROVISION & MANAGEMENT OF TECHNICAL COOPERATION AND ITS IMPACT ON CAPACITY DEVELOPMENT IN CAMBODIA

TERMS OF REFERENCE

SEPTEMBER 2007

I. Background

1. The development of national capacity and the strengthening of national systems are major components of the Royal Government's Rectangular Strategy. They are also fundamental to the successful delivery of the NSDP targets and Government's associated core reform programmes. In this context, development assistance that is provided in the form of technical cooperation (TC) is intended to make a direct and significant contribution to the development of national capacity and to the delivery of the NSDP objectives. Technical cooperation is therefore a critical component of the development assistance that is provided to Cambodia.[44]

2. Recent studies undertaken globally as well as in some partner countries have shown that technical cooperation has not had the impact that is intended, or, at the very least, has not provided sufficient evidence of results when measured in terms of sustainable capacity development. In Cambodia, recent evidence has highlighted the extent of the challenge that exists with respect to: (i) making technical cooperation demand-driven and effective; and (ii) establishing systems to ensure that effectiveness is measured and monitored.

3. Three considerations in particular have combined to result in a decision by Government, in concurrence with its development partners, to undertake a study that will consider the provision, management and impact of technical cooperation.

    a) A Government-Donor study in 2004 found that approximately half of all ODA was spent on technical cooperation (12.7% for international staff, 11.8% for training, 8.2% for operations/equipment, 8.1% for national staff, and 2.5% for monetary incentives). The two main findings of the study, first that evaluation is severely constrained by data quality and, second, that little of a qualitative nature can be said with certainty about the use, management arrangements or impact of technical cooperation, remain highly relevant.

    b) In November 2006, a meeting of development partners revealed that different views were held regarding the provision, mandate and management of technical cooperation. CDC, as the Government aid coordination focal point was requested to undertake a study and at the June 2007 CDCF meeting a joint development partner statement observed that, "we welcome the planned government review of technical cooperation and commit to engaging fully in this process".

    c) Prior to commissioning a more detailed review, preliminary analysis was undertaken for the 2007 Cambodia Aid Effectiveness Report. The findings of the 2004 study were broadly confirmed as the Aid Effectiveness Report found that, although data quality remains a concern, approximately 50% of ODA (i.e. equivalent to USD 275 million) is dedicated to technical cooperation, as compared to an average of 20% across all Least Developed Countries (LDCs). Complementary qualitative reporting from the

[44] See Section Two for a definition of technical cooperation that will be used for the purpose of this exercise.

Technical Working Groups also suggested that the introduction of sector programmes has indicated some duplication and overlap in the provision of technical cooperation in some sectors. Associated ambiguity and uncertainty in management arrangements and reporting lines had, in some cases, been the source of the increased tension reported by development partners in November 2006.

4. In the context of its broader aid management policy, which advocates closer partnerships and more programmatic forms of aid based on NSDP priorities, the Government now wishes to lead a process, with its development partners, that will provide a common understanding, and a concrete way forward, for improving all aspects involved in the provision, management and monitoring of technical cooperation. This study is therefore intended to facilitate a partnership-based process that develops an enhanced common understanding of TC design, provision, management and impact that, in the context of increased use of programme-based approaches, will result in TC support making a greater contribution to the development of national capacity.

5. This Terms of Reference therefore sets out an approach for the retainment of two international experts, under the direct supervision of the CRDB/CDC Secretary General, and working closely with government institutions and development partners, to undertake a study that will provide an overall assessment of the situation and inputs that are necessary to facilitate the formation of a Government policy guideline on the provision, management and monitoring of technical cooperation for development results.

II. Definitions

6. For the purposes of this exercise, and consistent with OECD/DAC terminology, technical cooperation is defined as follows:

"The provision of know-how in the form of personnel, training, research and associated costs… covering contributions to development primarily through the medium of education and training… whose primary purpose is to augment the level of knowledge, skills, technical know-how or productive aptitudes of the population."[45]

. In the case of Cambodia, technical cooperation is understood to include, but not be limited to:

a) International and national staff paid from ODA resources and engaged on either a long or short-term basis;

b) In-country or overseas training of either a long or short-term nature;

c) Operational support, the provision of equipment and other resources intended to support the implementation of projects or programmes that are designed to build and augment the capacity of Government; and

d) The provision of monetary incentives to Government staff associated with the implementation of a project or programme that is designed to build and augment the capacity of Government.

7. To ensure that a comprehensive, coherent and accurate understanding of technical cooperation provision is developed, all forms of technical cooperation will be considered in

[45] See OECD/DAC Statistical Reporting Directives (2007), paras 40-44.

this study.[46] In particular, the study will consider the extent to which TC design and provision is premised on national demand based on a fully-developed capacity assessment/strategy and how this has informed the design and delivery of technical cooperation support as well as contributing to development results.

III. Objectives

8. The primary rationale for the use of technical cooperation in Cambodia is to contribute to capacity development.[47] Development partners have collectively noted the link between ownership and capacity development and have observed that country ownership of policies and programmes is premised on the capacity to exercise it.[48] Arrangements for providing technical cooperation must therefore be increasingly associated with enhancing Government's ability to develop the capacity to exercise effective ownership over its development programme. The provision and management of TC in Cambodia also needs to be understood and analysed in the wider national context and policy/political environment, taking full account of the institutional setting, human resources, incentives, ownership and leadership on government and partner sides, all of which contribute to the enabling environment.

Objective 1: Improved understanding of current and emerging practices/mechanisms related to needs identification, provision, management and monitoring of TC

To learn more from both development partners and Government about the current arrangements and practices for providing technical cooperation. This will include a reflection on all stages from needs identification through to evaluation of technical cooperation, and its contribution to capacity development.

9. In the context of the Paris Declaration and the establishment of national aid management initiatives, Cambodia is moving towards new forms of support that are informed by the development of sector development plans and a more partnership-based approach to supporting sector programmes. In the context of these new aid modalities and new approaches to partnership, including through Budget Support, it is reasonable to suppose that approaches to technical cooperation must also be tailored and adapted so that they are compatible with these new modalities. By exploring both positive and negative contributory factors, a consensus may be established on how to design and manage TC in a coherent, rational and cost-effective manner in accordance with a sector strategy that includes an assessment of capacity needs.

Objective 2: Evaluation of the capacity development impact of TC practices/mechanisms

Focusing on a limited number of sectors, to explore emerging practices at sector level that are informed by programme-based approaches and to provide guidance – and examples of good practices and the subsequent results - on how technical cooperation activities may be designed, delivered and managed effectively in the current environment and context.[49]

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[46] The provision of monetary incentives should be considered only as context as separate review processes are taking place with regard to pay reform and the use of incentive and performance schemes.

[47] For the purposes of this study, capacity development is to be defined in the context of the 2006 OECD/DAC Reference Document, "The Challenge of Capacity Development: Working Towards Good Practice" (page 12).

[48] See OECD/DAC (2006), 'The Challenge of Capacity Development', para 11

[49] A "sector" is, in this instance, intended to mean a well-defined body or programme of work related to the functions and responsibilities of a ministry, or a group of ministries, supporting the implementation of a sector

10. Effective ownership of development assistance can only be realised if there is sufficient information about the scale and composition of development assistance. To facilitate the gathering of more accurate and detailed information about the use of technical cooperation resources in the future this study will briefly consider the constraints that currently limit data availability and reporting.

Objective 3: Promoting Evidence-based TC Management

To identify and briefly consider the constraints faced by development partners in providing accurate technical cooperation data and to briefly consider practical measures that can be taken to address this situation.

11. Concern related to the use of technical cooperation resources has been a longstanding concern of both Government and its development partners. Based on the findings of the 2007 Aid Effectiveness Report and discussion at the June 2007 CDCF meeting, it is necessary to develop a common understanding on matters related to the use of technical cooperation as a basis for developing policy guidance on the future use and management of technical cooperation resources.

Objective 4: Recommendations on TC needs identification, provision, management and monitoring

Based on the findings of the study, make specific recommendations for establishing a nationally-led process for identifying technical cooperation needs and for managing all aspects of technical cooperation provision, management and monitoring.

IV. Scope of Work

12. Informed by the objectives described above, the consultants are required to build on and take forward what is already known about technical cooperation in Cambodia.[50] After a relatively broad initial round of consultations, the scope of work will be limited to identified sectors (based on dialogue with the sub-group of the Partnership & Harmonisation TWG). The consultants are required to consider, report and make recommendations that can be used as inputs to a Government policy guideline that are based on the following considerations:

    a) *Information Management* - taking into account the utility of collecting and analysing data, describe the impediments to more complete and accurate development partner reporting of technical cooperation.[51]

    b) *Levels of Technical Cooperation* – based on global best practice and analysis already undertaken at the national level, offer some guidance – with appropriate qualifications – regarding the current levels of technical cooperation at both aggregate and sector levels. This should take account of the use of technical cooperation in programme-based approaches and the manner in which it may

strategy or reform programme. After a relatively broad initial consultation, the exercise will be focused on sectors or reforms to be identified by the P+H TWG sub-group on TC.

[50] See the list of attached references and readings to gauge what is already understood about technical cooperation in Cambodia as well as further afield.

[51] Reporting is intended to be undertaken accordance with the questionnaire used to prepare the Aid Effectiveness Report (see AER, Annex Three, questions 20 and 23)

complement other aid modalities (for example, budget support, which is expected to commence in 2007/08).

c) *Design of Technical Cooperation support programmes* – consider the nature of the preparatory process that precedes the delivery of technical cooperation support. In particular, the study should assess the extent to which Government leads or manages the production of a coherent 'sector-wide' approach to capacity development that then informs the design of technical cooperation programmes and the selection/mix of related inputs.

d) *Provision of Technical Cooperation* – informed by interviews and existing data, summarise and assess current practices before proposing measures that would strengthen procedures for identifying technical cooperation needs and for increasing Government participation in the needs assessment and design and development of technical cooperation programmes (including the recruitment and procurement of technical cooperation goods and services). Technical cooperation provided in the context of a Project/Programme Implementation Unit (PIU) should be included in this analysis, together with some reflection on the appropriate mix of technical cooperation activities and associated inputs such as incentives and salary supplementations. A reflection on experience in the use of South-South cooperation is particularly encouraged.

e) *Management of Technical Cooperation* – based on interviews with Government and development partners, describe the range of management practices that currently exist between and amongst Government ministries/agencies and development partners. Identify both desirable and less desirable practices, consider the basic components of a technical cooperation package in the current partnership-based aid environment (including the 'soft skills' that effective technical cooperation may require), provide recommendations on how good practices might be replicated, under what conditions they might be transferable and under what conditions nationally-led management might lead to more effective use of technical cooperation resources. A particular focus should be placed on the management of technical cooperation in sector programmes, including on the use and experience of using coordinated or pooled technical approaches. A discussion of the range of reporting line and management arrangements, i.e. to whom they are accountable, would also be welcomed, especially with regard to effects on ownership and implementation.

f) *Monitoring the Performance and Impact of Technical Cooperation* - based on interviews with Government and development partners, describe the range of monitoring arrangements that currently exist. Identify both desirable and less desirable practices, provide recommendations on how good practices might be replicated, under what conditions they might be transferable and under what conditions nationally-led monitoring arrangements might lead to more immediate impact and to more sustainable capacity. When considering impact, the consultants are to comment on issues related to both short and long-term monitoring as well as to sustainability and the relationship between sector work and the Government's core reform programmes. Examples of where technical cooperation support has played a strategic, but more difficult to monitor, facilitating and bridge-building role should also be considered. Evidence emerging from Government and development partner evaluations that have been undertaken should also be reflected, together with an indication of how these evaluations have been used to inform policy and practice.

g) *Identifying Good Practices and Those That Require Reform* – the Aid Effectiveness Report demonstrates that the development partnership in Cambodia is robust enough to withstand direct but objective observations regarding good and bad practices, whether they be on the part of Government or development partners. The consultants are therefore encouraged, where appropriate, to make use of local examples that address the use of technical cooperation in programme-based approaches, the use of

PIUs and reporting arrangements. They are also to consider the role of complementary inputs, including salary supplementations and incentives, to the successful implementation of technical cooperation projects and programmes.

h) *Maximising the Benefits of an Independent Exercise* – it is emphasised that the consultants are asked to provide inputs to a Government Guideline that will be taken forward in dialogue with development partners, not to draft the Guideline itself. They are therefore mandated by Government to make full use of their independence in undertaking this exercise so that they may bring to bear all of their global expertise and experience. These principles should inform the production of a set of recommendations that objectively describe the current environment in Cambodia and the full range of steps that might be taken to maximize the capacity development impact of technical cooperation.

V. Methodology

13. The exercise will apply global lessons and best practices in the management of technical cooperation. This includes, but is not limited to, the OECD/DAC 2006 Good Practice paper. These global practices and principles will be applied to the context of Cambodia as represented in documents provided to the consultants and through the interviews that they conduct.

14. The consultants will conduct their own desk research for three days prior to the beginning of their mission. They are expected to make use of contextual material including desk reviews and evaluations provided by Government as well as based on their own research, and are required to identify the source of any data or other assertion made in their report. Government ministries and development partners are encouraged to provide documents to the consultants (via CRDB/CDC or the P+H TWG sub-group to ensure efficient document management). These may include evaluations or studies specific to the provision of technical cooperation in Cambodia. Global references are not required as it is assumed that the consultants already have access to the material.

15. During the first week of the study the consultants, together with their CRDB/CDC counterparts, will hold a broad range of preliminary interviews with Government, development partners (both individually and through the TWG structure). Based on these initial consultations, and in dialogue with the TC sub-group of the P+H TWG at the inception report stage, a decision will then be taken to focus on particular sectors and thematic areas (such as the main reforms). This will enable a more detailed understanding of a more limited subject area to be developed.[52] At a minimum, initial consultations will be held with the following sectors and the principal associated development partners: health, education, agriculture & water, PFM, decentralization & deconcentration, public administration reform, land, and legal & judicial reform.

16. The main source of information for the study is to be:

    (i) The views of Government officials and development partners, nuanced appropriately by the consultants in their final report;

    (ii) Based on dialogue at the inception stage, a more detailed consideration of TC mechanisms and their impact in identified sectors and thematic areas;

    (iii) A Review of policy documents, Government and development partner reports;

[52] The identification of sectors may also be informed by the Global Study on TC, currently being prepared and led by JICA on behalf of five other development partners.

(iv) International studies and reports.

Interviews with personnel – both Government and development partners – who are directly involved in technical cooperation programmes, the implementation of programme-based approaches and the management of core reform programmes are particularly encouraged, as is the use of TWG structures. Government and development partners are requested to provide names and contact details of proposed interviewees to CRDB/CDC, together with all relevant documentation (case studies, evaluations etc).[53]

17. As noted in the scope of work, the consultants are to submit the final report based on their own views, incorporating those comments that they deem relevant. While applying global experience the consultants are required to ensure relevance to the Cambodia case to provide inputs and recommendations that will enable the national dialogue on technical cooperation to move forward.

VI. Outputs

18. The following outputs, which are to be guided by the Objectives and Scope of Work identified above, are required:

    a) A 3-4 page inception report, to be presented to, and discussed with, a sub-group of the Partnership and Harmonisation TWG, no later than five working days into the three-week assignment. (Based on this report, the sub-group and the consultants will identify and agree the main sectors and areas of focus for the remainder of the exercise).

    b) Present and discuss the key findings of the study in a meeting of Government and development partners (last 2 days of the mission).

    c) Submission of a final report based on comments received from Government and development partners (one week after the mission).[54]

VII. Management Arrangements

19. This exercise, and the report that will be produced, have been commissioned by the Government, in consultation with the Partnership and Harmonisation (P+H) TWG, which has included this work in its Annual Workplan. The principles included in the TWG Guideline will therefore apply to the conduct of this exercise. CRDB/CDC will lead the exercise on behalf of Government and will be responsible for its overall management. The consultants will be managed by, and will report directly to, the Secretary General, CRDB/CDC.

20. Development partner inputs at all stages are strongly encouraged and will be managed through the P+H TWG lead development partner co-facilitators (DFID and UNDP). To ensure that the exercise is sufficiently partnership-based, a focus group of Government and development partners will be formed as a sub-group of the P+H TWG. Acknowledging these principles of partnership, the focus group will be facilitated by the P+H TWG lead facilitators and will report to the P+H TWG Chair. The group will comprise no more than 6 persons representing development partners, who will be nominated by the development partner community. Government participation will include CRDB/CDC and will be open to other Ministries and agencies.

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[53] Please email proposed contacts and documents to Ms HEANG Kanelle at heang.kanelle@crdb.gov.kh

[54] The Report will then become a Government document and, if appropriate, will be used as an input to develop a technical cooperation guideline.

21. The focus group will not be required to prepare its own Terms of Reference but its role and function will be to facilitate dialogue on this Terms of Reference, to meet the consultants at the inception stage, to discuss the findings of the draft report (based on views received from other stakeholders), to provide comments to the P+H TWG Chair, and to support the organisation of the meeting to discuss the draft report (if held). The group's work will be concluded once the meeting to discuss the draft report has been held, at which time CRDB/CDC, in dialogue with the full P+H TWG, will deliberate on the next steps to be taken.

22. At least two qualified CRDB staff will be assigned full-time to work with the international experts for the period of the study. To ensure some sustainability in the exercise the consultants are kindly requested to maximize all 'learning by doing' opportunities associated with this exercise. In particular they are asked to work closely with CRDB/CDC staff at all times, to coach and mentor their counterparts, to provide briefings to CRDB/CDC staff regarding the nature and purpose of the exercise, and to ensure that CRDB/CDC staff play a full part in interviews and analysis (and in the drafting of the report to the extent that it does not compromise the consultants own independent views).

23. The study will be implemented over a four-week period (three weeks for the experts spent in Cambodia), commencing 8 October 2007, by two independent consultants, supported by two officials of CRDB/CDC, the Government agency responsible for aid management.

VIII. References

Key Cambodia Readings

Cambodia Aid Effectiveness Report, 2007, CRDB/CDC

Capacity Building Practices of Cambodia's Development Partners, 2004, CRDB/CDC

Evaluation of the Technical Assistance Provided by the International Monetary Fund, Volume II, Technical Assistance in Cambodia (especially section III), 2005

http://www.imf.org/external/np/ieo/2005/ta/eng/pdf/013105c.pdf

Guideline on the Role and Functioning of the TWGs, 2007, CRDB/CDC

Joint Government-Donor Strategy for Phasing Out Salary Supplementation Practices in Cambodia, January 2006, TWG-PAR

National Operational Guidelines, 2006, CRDB/CDC

National Strategic Development Plan (NSDP), 2006-2010, Government of Cambodia

Sector plans, strategies and major reform documents– to include health, agriculture & water, land, PFM

Strategic Framework for Development Cooperation Management, 2006, CRDB/CDC

Technical Assistance and Capacity Development in an Aid Dependent Economy: The Experience of Cambodia, Godfrey et al, 2002, World Development Vol 30

The GDCC and TWGs: A Review, 2006, CRDB/CDC

The Implementation of a Merit Based Pay Supplement Incentive, Sub-Decree 95 of 2005, Government of Cambodia

Other Readings

A vision for the future of Technical Assistance in the International Development System, 2003, Oxford Policy Management

Between Naivety and Cynicism: A Pragmatic Approach to Donor Support for Public-Sector Capacity Development, 2004, Ministry of Foreign Affairs, Denmark

Building Coherence Between Sector Reforms and Decentralisation: Do SWAPs Provide the Missing Link? 2003, Tony Land and Volker Hauck, ECDPM Discussion Paper.

Capacity for Development: New Solutions to Old Problems, 2002, UNDP/Earthscan

Developing Capacity through Technical Cooperation, 2002, UNDP/Earthscan

Harmonising the Provision of Technical Assistance: Finding the Right Balance and Avoiding the New Religion, 2002, Baser, H. and P. Morgan. ECDPM Discussion Paper 36

Review of Technical Assistance in Afghanistan and Capacity Building in Afghanistan, 2007.

Scoping Study on Capacity Development for Service Delivery in Pakistan, 2007, Watson D.

Study on the Provision of Technical Assistance Personnel: What can we learn from promising experiences? 2007 (draft), ECPDM

Technical Cooperation Success and Failure: An Overview, 2001, Morgan P.

Technical Cooperation, 2002, Development Policy Journal (Special Edition)

The Challenge of Capacity Development: Working Towards Good Practice, 2006, OECD/DAC

The Management of Public Service Reform: A Comparative Study of Experiences in the Management of Programmes of Reform of the Administrative Arm of Central Government, 1998, T. Land et al (eds), ECDPM.

PART 2: DEVELOPING HEALTH SECTOR CAPACITY IN CAMBODIA: THE CONTRIBUTION OF TECHNICAL COOPERATION: PATTERNS, CHALLENGES AND LESSONS

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The views and opinions expressed in this report are those of the author and do not necessarily reflect those of either the RGC or development partners. The author is solely responsible for any errors or omissions.

Anthony M. Land

EXECUTIVE SUMMARY

This report presents the findings of the second part of a study commissioned by the Royal Government of Cambodia to examine the contribution of technical cooperation to capacity development in the Cambodian public sector. The first study provided a general and country-wide overview of trends and experiences in the use of technical cooperation across the entire public service. This second study explores the various issues raised in the first report in the context of the health sector. The findings of both studies serve two purposes. First, to support the efforts of the RGC and development partners to improve aid effectiveness. Second, to serve as an input to the Global Study on Technical Cooperation and Capacity Development that has been commissioned by a consortium of development partners.

Fieldwork was carried out over a two week period in March 2008. Interviews were conducted with officials from the Ministry of Health and development partners. With the exception of a one-day visit to Takeo Province, all interviews took place in Phnom Penh. An inception meeting was arranged on the second day of the mission, while three debriefing sessions were organised at the end.

Ch 2: "Developing Health Sector Capacity" provides a rapid assessment of the current capacity of the sector. It also reflects on a number of challenges associated with the development of capacity in the health sector.

Genuine progress has been made to put in place a basic health care delivery system that is performing in selected areas. But progress has been uneven rather than system-wide. There are particular concerns about the overall quality of care delivered. An underlying fragility to the entire health delivery system is recognised.

Senior management in the Ministry displays greater assertiveness and confidence in taking stewardship of the sector. The process of developing two consecutive Health Strategic Plans is testimony to this. It is also reflected in the way the Ministry interacts with its many development partners via the Technical Working Group mechanism. Progress is being made to discuss and define the contours of a sustainable health delivery system and to invest in the development of some of its key components. Such initiatives suggest a growing ability to engage in organisational innovation and learning.

Improvements have been made to core functions at the headquarter level. The planning function was singled out as having made most improvement. A number of the Ministry's national programmes and centres have reported impressive results over the last five years. The general view is that service delivery capacity at provincial and operational district levels does not yet meet acceptable standards. Whilst improvements have been made in terms of increasing access to health facilities, improving skill levels of medical staff and in developing procedures and guidelines, the quality of care remains an area of concern.

Developing public sector capacity is a formidable task in any situation. In a sector as complex as health those challenges are all the more pronounced. Developing and then sustaining the capacity of an entire system to deliver health care services must be viewed as a long-term challenge. Dimensions to take account of include:

Being Clear about Vision and the Direction of Change - any long-term strategy to develop health system capacity needs to be based on a clear idea of the kind of system envisaged.

Managing a Complex Web of Actors - account needs to be taken of the many actors involved in the delivery of health care in Cambodia. The most significant is the Ministry of Health, itself a complex entity. There are numerous non-governmental organisations, both international and local working as service providers and capacity builders. Privately-owned clinics and pharmacies represent *de facto* major providers of health care services. Development partners can also be considered as part of the health care delivery system.

Developing the Right Mix of Capabilities - A system as complex as health depends on a wide range of individual skills and organisational capabilities. A key challenge is to strike the right balance between the development of "back office" or managerial capabilities and "front office" or clinical/medical capabilities.

Addressing the Issue of Staff Motivation and Retention - The health sector is not immune to the wider challenges of motivating and retaining staff within the Cambodian public service. Pay is a critical issue but is only one part of the motivation equation. Providing a working environment that inspires productivity and responsibility is also critical.

Balancing the Supply and Demand Sides of Capacity Development - Capacity development is often thought of in terms of the supply and/or development of skills, systems, equipment and structures. Experience suggests that incentives to translate capacity into organisational performance depend on pressures for change from the outside: from the political leadership and from service users.

Balancing Service Delivery and Capacity Development - A challenge for stakeholders is to strike the right balance between investing in the development of sector capacity while ensuring the on-going delivery of services. This is a classic dilemma, but is particularly acute where capacities are weak and where the pressures to show results are significant.

Taking Account of Systemic Reforms - While the Ministry of Health can shape many aspects of its capacity, it is also influenced by features of the public administration system of which it is part. Systemic reforms critical to the future capacity and performance of the sector include: public administration reform, public financial management reform and decentralisation & deconcentration.

Ch 3: "The Contribution of Technical Cooperation" describes salient features of the TC "landscape" in the health sector and summarises how TC has, in aggregate, contributed to the development of sector capacity.

The TC "Landscape"

A Large Number of Providers - There are at least 20 official development agencies active in the sector as well as an estimated 100 NGOs and technical agencies. There are over 100 on-going projects financed by development partners. A significant proportion of external assistance is categorised as technical cooperation. Latest figures suggest roughly 30%.

Providing TC in Many Different Ways - TC can be part and parcel of programmes that include financial assistance. TC can also be provided as a discrete project combining a package of measures. Elsewhere, TC can be more stand-alone in nature. A distinction can be made between long-term residential TA personnel working as part of a larger CD initiative and the technical inputs provided by short-term consultants. Volunteers fielded by development partners represent another category of TA personnel.

Some development partners finance technical cooperation but do not get directly involved in implementation. For others, technical cooperation is core business, with programmes comprising a mix of inputs aimed at strengthening individual and organisational capacities. Others focus on the provision of short and long term experts, rather than on financing technical cooperation projects/programmes.

The Different Roles Performed by TA Personnel - TA personnel perform a multitude of functions, which are only sometimes linked to capacity development. Usually, multiple roles are played but these may not be well defined. Many short-term TA personnel are recruited to provide discrete technical inputs. Long-term TA personnel perform a variety of functions. They may function as advisors with a brief to impart knowledge and skills, to accompany change processes and to develop systems and procedures. In other situations, they play a more "hands-on" role bolstering the implementation capacity of the host organisation. Many TA personnel continue to perform a management and control function.

Working at Different Levels of the Health Sector - An informal "division of labour" is emerging with agencies distinguishing their support by health issue, geographical area or actor. This offers opportunities for complementarity. Considerable support is provided at the national level across Ministry departments, national programmes and centres. At the field level, technical cooperation is organised according to geographic area (e.g.: by province), thematically (by health issue) or organisationally (supporting particular institutions). Many development partners active at the field level try to maintain a link at the national level so that experiences from the field can be fed into national processes, and vice-versa.

Contribution to the Development of Health Sector Capacity

TC has made an important collective contribution to the development of health sector capacity. Quantifying the extent and nature of that contribution is, however, not easily done. TC has helped to:

- Increase the knowledge and skills of health workers particularly clinical staff, to perform basic duties in the workplace as well as to develop specific specialisations.
- Strengthen the management and organisation of national programmes by helping to develop policy frameworks, implementation strategies, procedures and guidelines.
- Improve core ministerial functions, most notably planning and information management.
- Promote the innovation and piloting of novel delivery modalities and financing mechanisms that contribute to the overall development of national health systems.
- Tackle issues of individual and organisational performance and accountability through the development and testing of various performance-based incentive schemes.
- Work on aspects of the demand side of capacity development, particularly in terms of promoting community empowerment and education.

The support of development partners is not always positive and can undermine capacity. Shortcomings identified are not unique to the health sector but reflect the way in which development cooperation programmes are conceptualised, designed and delivered. The consequences include:

- A lack of local ownership for initiatives that have been largely conceived designed and implemented by development partner personnel.
- The resultant syndrome of "tolerated" TC whereby TC support is accepted on the basis of the resources it brings rather than on the relevance of the support it might provide.
- A proliferation of TC projects managed through separate project management arrangements that can undermine efforts to build sector coherence and the development of core capacities, while overwhelming the absorptive capacity of the host organisation.
- Decisions on where to invest in capacity development can be influenced more by the policy priorities of development partners than those of local stakeholders.
- A tendency to focus TC on achieving the short term implementation needs of individual projects rather than focusing on a more systematic process of human resources and organisational development.
- The fielding of TA personnel that lack appropriate skills and attitudes that are critical to the development of constructive working relationships based on trust and understanding and that provide the basis for effective knowledge exchange and learning.

- Strategies for engaging in capacity development work are poorly defined, and based on an inadequate analysis of existing capacity strengths and weaknesses, opportunities and constraints.

Ch 4: "Towards more Effective Practice" draws on the recommendations for effective practice highlighted in the first report, in order to discuss issues related to enhancing country ownership and responsibility for TC management and actions required to improve the quality of capacity development work.

Promoting Greater Country Ownership and Responsibility for TC Management

The health sector is taking concrete actions to exercise leadership, ownership and responsibility for the management of aid in general and technical cooperation in particular. Mechanisms are falling into place to enable it to do so. These mechanisms should help to reduce the various counter-productive consequences of un-coordinated and supply-driven TC that characterised the sector in the past and should contribute to promoting greater coherence of the sector itself.

Most of the actions being taken address aid management in general, and in this respect the challenges of managing TC are part and parcel of those that concern aid management more generally. Two of the principal building blocks for enhanced Cambodian ownership and management of TC in the health sector are the Health Strategic Plan and related planning and budgeting processes, and the Health Technical Working Group mechanism.

The Health Strategic Plan and Related Planning and Budgeting Processes - Progress has been made in strengthening the planning function within the health sector. The Ministry is finalising its second strategic plan (HSP 2), which sets out a vision for the sector including for capacity development. It also offers a framework for harmonising and aligning external aid behind a Ministry-owned development strategy.

These developments allow the Ministry of Health to take greater charge of agenda setting, determining needs and assessing the value or otherwise of proposed external assistance. The Ministry has taken the position that it would like to embrace all development partners whether that means working through project or programme-based approaches. For the Ministry, the critical issue is that development partners agree to support its priority expenditures and that they use the strategic and annual operational plans as the basis for doing so. This is the understanding of the Ministry's SWIM or sector-wide management approach.

For a group of development partners these developments provide an opening to work through pooled funding arrangements. Other development partners continue to work through project modalities, and are able to use the Ministry's planning framework as a basis for aligning support and seeking complementarities among different providers.

The Technical Working Group (TWG) System - The health sector TWG system comprises the main health technical working group (TWG-H) and its secretariat, a set of technical sub-

working groups, and most recently a set of provincial technical working groups. The TWG-H is considered to be among the stronger and more effective in Cambodia.

Given the complexity of the sector and the large number of development partners involved, having an effective mechanism in place to promote greater harmonisation and alignment of external inputs behind a government-led strategy is crucial. From the perspective of technical cooperation and capacity development, the value of the TWG rests in the following:

- It provides an opportunity for dialogue and information sharing that can help overcome compartmentalisation arising from separately funded and administered projects and can help build greater coherence and complementarity across different areas of intervention.
- The technical sub-working groups are valued for the opportunities they offer for collective problem-solving and for promoting a stronger sense of coordinated response to tackling specific health issues. They are also used to review the Terms of Reference and CVs of proposed short and long-term TA personnel, on a collegial basis.
- While the responsibility for approval or rejection of proposals ultimately rests with the Ministry of Health, the TWG can play a useful consultative role in reviewing draft proposals prior to their formal submission.
- A challenge for the future is for the TWG-H to be more pro-active and to devote more time to guiding sector policy and to furthering harmonisation and alignment. In this context, TWG members could think more systematically about the contribution of technical cooperation to the implementation of HSP 2 and to capacity development.

Improving the Quality of Capacity Development Work

The first report identified a variety of issues that need to be taken account of as a basis for improving the quality of capacity development work. In the context of this case study, four key issues emerged out of discussions with respondents.

Linking TC Provision to a Sector-Wide CD Strategy for Health - The absence of any kind of articulated capacity development strategy makes it difficult for partners to harmonise and align external support behind a country-led process. It also makes it difficult to engage in an effective dialogue about capacity development, to reach some kind of common understanding on what it involves and on what external partners can do to assist, and to encourage learning.

The attention that is now being given to human resources development and institutional development, within the context of HSP 2 offers an opportunity for the Ministry of Health

and development partners to engage in a dialogue on capacity development, to agree on a common framework of action and to monitor progress and draw lessons of experience.

Developing a strategy for capacity development that features as an integral part of the wider health strategic plan will be an important achievement. It should help ensure that capacity development is treated as a key strategic issue, intrinsic to the achievement of health sector objectives that can be discussed and reviewed at high level meetings rather than solely as a technical detail. It could also be a place where some common principles on the role of TC in developing capacity can be discussed.

A "road map" for capacity development at sector level is equally important for guiding actions at the sub-sector levels Thinking more strategically about the factors that promote and inhibit organisational growth and performance, recognising that capacity development involves much more than training alone, and knowing how to make effective use of technical cooperation as an instrument for capacity development are important here. Having a clearer understanding of such issues should mean that managers are better placed to analyse their capacity challenges and to identify the kind of change strategies required.

Managing Diversity – Harnessing Innovation and Bottom-Up Approaches - In promoting comprehensive CD strategies, it would be wrong to suggest that such comprehensive and formal approaches are necessarily the only way to promote capacity development in complex organisational settings. There is indeed much value to be gained by creating space for innovation and experimentation.

The challenge is to set a clear course but at the same time to manage diversity. In this way, the many contributions of development partners undertaken across different parts of the sector can contribute constructively to the greater whole. There are several examples where lessons from the field are being fed into a policy process and helping to develop system-wide rules, procedures and mechanisms.

Improving the Effectiveness of TA Personnel - Many respondents argued that the effectiveness of TC interventions is shaped by the quality of engagement between TA personnel and local counterparts. In this regard the following issues were identified:

- The effectiveness of TA personnel depends as much on soft skills or process skills, as on formal technical skills. Too often, TA personnel are not well equipped to impart their knowledge within the environment they are working in and to engage constructively with local staff.
- The increasing use of national TA personnel can go some way to overcome inter-cultural and communication issues. Yet, being a national TA does not automatically mean knowing how to approach the task of capacity development and of facilitating change.

- How the capacity development role of TA personnel is defined in the first place and the extent to which there is a shared understanding of that role is critical for effectiveness. In the absence of clearly defined Terms of Reference, confusion over the precise role that TA is expected to perform can quickly result, causing dissatisfaction on all sides.

- Organisations that have a clearer sense of purpose and that have staff that are sufficiently motivated are better able to use external resources and to share responsibility for results. There are examples where directors have a real sense of organisational leadership and are able to use the presence of TA personnel to address wider organisational objectives.

- Cambodian staff is today generally more demanding of TA personnel. There is greater confidence among local staff to engage TA personnel and as need be to question and challenge the advice being provided.

- Many respondents are of the opinion that Cambodia has less need today for long term residential TA than was the case in the past. Others recognised that in specific areas, the deployment of long term TA personnel is still needed. Decisions about the appropriateness of deploying long or short term TA should be based on a careful and shared diagnosis of need.

The Relationship between Capacity Development and Incentives - Most observers would acknowledge that a key challenge to the sustainability of capacity development in Cambodia revolves around issues of staff motivation and retention. While a variety of financial and non-financial factors can impact on staff motivation and retention, the issue of low pay has been singled out as a pervasive problem in Cambodia.

The efforts currently being taken by the Cambodian Government and development partners, including within the health sector to work towards a long term solution to the problem of pay is therefore encouraging. Specifically, proposals to put in place a common merit-based salary supplementation scheme that replaces the hitherto fragmented approach to salary supplementations, and that is aligned behind a longer term pay and compensation reform process is an important development.

From the perspective of this study, these developments are significant, in that they illustrate the fact that any discussion about how to develop sustainable capacity has to take account of motivation and incentive issues. It also illustrates the absolute importance for development partners to work collaboratively and behind a government-led strategy towards resolving such motivation and pay issues, thereby avoiding the distortionary effects of separate and project-specific incentive schemes.

Ch 5: "Concluding Remarks"

This assignment set out to understand the contribution that technical cooperation has made to the development of capacity in the health sector. In the time available it has been possible to begin to understand the complex relationship between technical cooperation and capacity development, including of factors that shape effectiveness. But the study has barely scratched the surface.

The study used as its frame of reference the analysis conducted during the first study. Many of the underlying issues relating to the aid relationship between development partners and Cambodian stakeholders raised in that report are equally relevant to the health sector.

This review of TC experiences in the health sector provides illustrations and examples of the contribution, both positive and negative that TC can make to the development of capacity. The report also confirms the validity of the recommendations for improved practice proposed in the first report and provides examples of how the Ministry of Health, the NGO community and development partners are actively taking steps to improve TC practice.

It is also hoped that the report stimulates sufficient interest among stakeholders involved in capacity development in the health sector to further investigate the factors that can promote as well as inhibit effective engagement for capacity development.

1. INTRODUCTION

This report presents the findings of the second part of a study commissioned by the Royal Government of Cambodia (RGC) to examine the contribution of technical cooperation (TC) to the development of capacity in the Cambodian public sector.

The first study, which took place in October 2007[55], provided a general and country-wide overview of trends and experiences in the use of technical cooperation across the entire public service and proposed various recommendations on ways to improve TC effectiveness.

The purpose of this second study, for which field work was carried out over a two week period in March 2008, was to explore the various issues raised in the first report in the context of the health sector. It was agreed that the research should scan the entire sector for emerging trends and patterns rather than focus on the experiences of a few projects and programmes. The consequence, however, is that the perspective of the report remains at the conceptual and strategic level rather than at the operational level. According to the Terms of Reference, the main objectives were to:

1. *Improve understanding of current and emerging practices/mechanisms related to needs identification, provision, management and monitoring of technical cooperation*
2. *Evaluate the capacity development impact of technical cooperation practices/mechanisms*
3. *Make recommendations on technical cooperation needs identification, provision, management and monitoring.*

The findings of this study, together with those of the first study are expected to serve two purposes. First, to support the on-going efforts of the RGC and development partners (DPs) to improve aid effectiveness through implementation of the Harmonisation and Alignment Agenda. Second, to serve as an input to the Global Study on Technical Cooperation and Capacity Development (CD) that has been commissioned by a consortium of development partners and that will report on its findings to the Accra High Level Forum in September 2008.

1.1. SOME CAVEATS

It is important to note that this is a report about technical cooperation and its relationship to capacity development. It has not been written by a health sector specialist nor is it written primarily with a health professional audience in mind. Nor is it a study of health sector policy issues *per se*, nor an evaluation of the performance of the sector in relation to specific

[55] Land, A & Morgan, P. (2008) *Technical Cooperation for Capacity Development in Cambodia – Making the System Work Better.*

health outcomes. While trying to understand the factors that influence TC effectiveness with respect to capacity development, it refrains from judging the performance of any individual projects, programmes or organisations. Many other studies commissioned by the RGC and its development partners have done that. Rather, the study attempts to draw insights from various experiences from across the health sector to feed the wider discussion on how best to develop sustainable capacity and how technical cooperation, as an instrument of international development cooperation, can contribute to that end.

It is important to recognise the large number of studies that have recently been commissioned on the health sector, many of which have contributed to the preparation of the Health Strategic Plan 2 (HSP 2). Most of these studies address issues that relate to the interests of this study, and where necessary are referred to in the text, but a conscious effort is made to avoid duplication. This is particularly so as regards the wider discussion on harmonisation and alignment within the health sector.

The Terms of Reference for the study emphasise the independence of this assignment, the need for objectiveness in the analysis, as well as balance in the identification of strengths and weaknesses. The importance of presenting the report in a concise manner was also emphasised.

The report is structured as follows:

- Following this introductory chapter, chapter 2 provides a rough assessment of the current capacity of the health sector and discusses some of the challenges involved in developing health sector capacity.
- Chapter 3 goes on to describe some of salient features of the TC "landscape" in the health sector. It then summarises some of the ways in which TC at an aggregate level has contributed – both positively and negatively – to the development of health sector capacity.
- Drawing on the recommendations for effective practice highlighted in the first report, chapter 4 then considers the collective actions that need to be taken by the Ministry of Health and development partners to improve TC practice for capacity development, and comments on the progress that is being made in relation to a number of related issues.
- A final chapter offers a brief summing up of the report findings.

1.2. METHODOLOGY

Fieldwork was carried out over a two week period in March 2008. With the exception of a one-day visit to Takeo Province, all interviews were conducted in Phnom Penh.

Interviews were conducted with a large number of informants from the Ministry of Health (MoH) and development partners (DPs). The table below as well as Annex 2 provide further information on persons interviewed and organisations visited.

MOH	**Departments (6):**	**Centres (4):**	**Institutes (1):**	**PHD (1):**
	Personnel,	MCH	NIPH	Takeo
	Human Resources Development, Planning (+ HSSP),	TB (CENAT), NCHP		OD (2): Kirivong, Angroka
	Dept. for International Cooperation,	NCHADS		
	Preventive Medicine			
DP	**Multilateral (3):**		**Bilateral (5):**	
	World Bank, WHO, UNICEF,		AFD, JICA, GTZ, BTC, USAID, DFID	
NGOs	**I-NGOs (1):**		**L- NGOs (2):**	
	Care		Medicam, RHAC	

The research relied primarily on qualitative data collection and, therefore, it is important to emphasise that most of the findings presented are based on the views and opinions of persons met. While the consultant was provided with various background materials on the health sector and on a selection of individual projects and programmes (see Annex 3 for a complete list), the lack of analytical material and data pertaining to the specific issue of technical cooperation and its contribution to capacity development, (beyond a project specific context), is noteworthy. This is not entirely surprising. As remarked in the first report:

"The topics of capacity and capacity development are inherently ambiguous and lend themselves to a multitude of interpretations and conclusions. Judgments about what does and does not work in the Cambodian context remain largely anecdotal. There is little systematic evidence on the effectiveness of TC or its contribution to capacity development".

It is also necessary to note that the time available for fieldwork was insufficient to enable a detailed and comprehensive analysis either of the current capacity of the health sector or the aggregated effectiveness of TC interventions. In view of the recognised complexity of the Cambodian health sector, and the very large number of development partners involved, doing so would have required a much longer and intensive engagement. This study, therefore, provides no more than a "rapid appraisal" or "snap shot" of the current situation and should be read in that light.

Finally, while a good number of people and organisations were met over a short period of time, it was not possible to meet all stakeholders. A number of Ministry of Health (MoH) departments, centres and programmes at headquarter level could not be met while only one visit was made outside of Phnom Penh. Several development partners were also not interviewed as well as the large number of non-governmental organisations (NGOs) that are active in the sector. Examples cited in this report are necessarily selective and not fully representative. It also means that some good examples will certainly have been missed.

An informal inception meeting was arranged on the second day of the mission to agree on the scope of the study, while three debriefing sessions were organised at the end of the mission; first a debriefing with the Secretary General of the CDC/CRDB, second a presentation to the Health Sector Technical Working Group (TWG) Secretariat meeting (both on Friday 28th March); third a presentation to an informal meeting of development partners at the JICA country office (Monday 31st March).

The international consultant was accompanied during the two weeks by a senior official of the CDC/CRDB.

1.3. SOME CONCEPTS AND TERMS

The following concepts and terms are used in this report:

- **Capacity[56] -** The ability of people, organisations and society as a whole to manage their affairs successfully.
- **Capacity Development -** The process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time.
- **Promotion of Capacity Development -** What outside partners (domestic or foreign) can do to support, facilitate or catalyse capacity development and related change processes…. This is by no means equivalent to the provision of technical cooperation.
- **Technical Cooperation –** The provision of know-how in the form of personnel, training, research and associated costs… covering contributions to development primarily through the medium of education and training… whose primary purpose is to augment the level of knowledge, skills, technical know-how or productive aptitudes of the population.[57]

[56] See section 2.2. of the first report for a more elaborate discussion of capacity. The definitions of capacity, capacity development are promotion of capacity development provided here are taken from OECD/DAC (2006) The Challenge of Capacity Development.

[57] Definition provided in study TORs and based on OECD/DAC Statistical Reporting Directives (2007), paras 40-44.

According to the study TORs[58], TC is also understood to include provision of monetary incentives to Government staff associated with the implementation of a project or programme that is designed to build and augment the capacity of Government.

The definition of TC therefore remains very broad and in practice is used and applied in many different ways by development partners.

- **Technical Assistance Personnel –** There is no formal definition of technical assistance personnel. In this report, TA personnel refers to personnel provided by development partners on a short or long term basis to support the implementation of development cooperation initiatives. In this context, TA personnel can perform multiple roles linked to advice giving, capacity development, support to task execution (gap-filling) and project management. They may be part and parcel of a larger TC project or may be deployed on an individual basis. TA personnel often also support the design/programming of development cooperation initiatives and participate in reviews and evaluation studies.
- **Harmonization -** Efforts to streamline, simplify and coordinate approaches and procedures of development partners, meaning both among development partners and with those of Government.
- **Alignment -** Efforts to bring policies, procedures, systems, funding, planning and monitoring cycles of development partner activities in line with those of Government.

[58] See more details in Annex 1.

2. DEVELOPING HEALTH SECTOR CAPACITY

Before looking at the way TC has contributed to the development of health sector capacity in Cambodia, this chapter provides a rough snap-shot assessment of the current capacity of the sector. It also reflects on a number of challenges associated with the development of capacity in a sector as complex as health.

Looking at capacity first, rather than at TC is done deliberately. As the definitions of capacity and capacity development provided in the first chapter emphasise, the process of capacity development, even in an aid dependent country, needs to be understood as an internally driven process. While development partners can play a critical role in supporting country efforts to develop capacity, it would be wrong to equate capacity development uniquely with the support provided by development partners. Moreover, TC is but one albeit significant instrument for capacity development. Equally it is important to remember that not all TC is necessarily provided with a view to developing capacity.

2.1. A "HELICOPTER" VIEW OF HEALTH SECTOR CAPACITY

This "rapid appraisal" of capacity within the health sector *is based primarily on the views and opinions of persons interviewed* during the field mission. This is not presented as a comprehensive or scientific analysis, but rather as a qualitative "snap shot" of the current situation.

Genuine but Uneven Progress, Coupled by an Underlying Fragility - From a historical perspective, and taking account of the wider constraints related to the rebuilding of state and society in Cambodia, genuine progress has been made in putting in place a basic health care delivery system that has demonstrated an ability to perform in selected areas[59].

But progress has been uneven rather than system-wide. There are particular concerns about the overall quality of care being delivered and of the ability of the system to provide a level of service commensurate with current needs and that is also capable of keeping pace with future requirements.

An underlying fragility to the entire health delivery system is recognised. This can be attributed in part to the general challenge of putting in place an integrated health care system composed of a large number of interdependent parts which demands a high level of coordination both horizontally across various departments, programmes and centres, and vertically, between headquarter, provincial and field levels.

[59] Notable achievements have been recorded for instance in relation to Ante-Natal Care (ANC), reduction in HIV/AIDS infection rates and access to ARV treatment and reduction of TB incidence.

Equally, it can be attributed to more fundamental and systemic issues that go beyond the health sector *per se* and that have to do with public sector management in general and pay and human resources management issues in particular.

The high dependence of the sector on external funding, provided through a large number of multilateral, bilateral and NGO development organisation initiatives exacerbates the situation (see further chapter 3).

Leadership, Ownership and Vision - A common remark of respondents was that senior management in the Ministry has over recent years displayed an increasing sense of assertiveness and confidence in managing the sector[60]. The process of developing Health Strategic Plan 1 (HSP 1) and now Health Strategic Plan 2 (HSP 2) is held out as testimony to this growing confidence and willingness to take stewardship of the sector.

This is also reflected in the way the Ministry interacts with its many development partners. While the sector remains highly dependent on external resources, both financial and technical, Ministry management is beginning to use the Technical Working Group (TWG) mechanism as a way to guide policy dialogue and to improve the harmonisation and alignment of external support. The recent establishment of the Department of International Cooperation (DIC) should bolster the capacity of the Ministry in this regard.

Health System Development - Progress is also being made to discuss and define the broader contours and features of a sustainable health delivery system and to invest in the development of some of the key components. Examples include the testing of equity funds and social health insurance mechanisms, piloting alternative approaches towards service delivery including through various internal and external contracting arrangements and exploring ways of working with non-governmental organisations (NGOs) and the community. Such initiatives suggest a growing awareness and ability to engage in organisational innovation and learning. This is, however, only a start. The mechanisms to facilitate and coordinate organisation-wide learning across the many different parts of the MoH remain relatively undeveloped.

As already noted, the delivery of health care depends on the coordinated actions of a large number of health departments, programmes and initiatives[61]. As in any large and complex system, this poses a challenge to management to ensure coherence among the different parts of the system, and to ensure that services are provided in an integrated manner at the point of service delivery. This requires that mechanisms are in place to enable an appropriate level

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[60] This is also noted in a number of recent reports. See for example the review of SWIM: MoH (2007) *Medium-Term Review Health Sector Strategic Plan 2003-2007: An Assessment Of Progress Under Sector-Wide Management (SWIM)*

[61] There are for example 7 departments under the Directorate General for Health, and 9 National Centres managing various national programmes.

of steering, coordination as well as priority setting[62]. The preparation of HSP 2, and associated three year rolling and annual operational plans as well as the establishment of the Technical Working Group mechanism represent steps towards building greater coherence across the different parts of the delivery system.

Core Functions **-** The general opinion is that improvements have been made to core Ministerial functions of planning, budgeting, and human resources, at the headquarter level. The planning function was singled out as having made most improvement[63]. By contrast, public financial management, procurement and human resources management are considered to be weaker and in need of on-going support to meet future challenges. The human resources management function is critical for guiding any long term human resources and organisational development strategy. Further strengthening of public financial management and procurement capacity will be critical for the overall functioning of the health system as well as for advancing the implementation of the harmonisation and alignment agenda, particularly with respect to the use of national systems and procedures by development partners.

National Programmes and Centres **-** A number of the Ministry's national programmes and centres that work on specific health issues have reported impressive results over the last five years. Part of this success can be attributed to improvements made to individual and organisational capacity, both in relation to programme management and service delivery. The assistance of development partners – both technical and financial - has certainly played a part in improving performance. Examples include the national programme on TB control through the direction of CENAT and the fight against HIV/AIDS through the stewardship of NCHADS. Yet in certain areas such as maternal and neonatal health, there remains an acute shortage of specialists, such as paediatricians and midwives.

Provincial and Operational District Levels[64] **-** The general view of respondents is that service delivery capacity, at the operational district level is still inadequate, despite some notable improvements in health indicators[65]. This is particularly so in remote parts of the country. Whilst important steps have been taken to enhance service delivery, by improving the skill levels of medical staff in relation to selected health issues and in developing procedures and guidelines for administering preventive and curative treatment, the quality of care remains a concern.

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[62] The anticipated organic law on decentralisation will likely encourage a higher level of delegated authority and greater autonomy of action for various parts of the Ministry.

[63] The development of the first and second HSP and associated Annual Operating Plans (AOP) across all parts of the Ministry are cited as evidence of this growing capacity.

[64] There are 20 provincial and 4 municipal Health departments overseeing 76 Operational districts, which in turn supervise 69 referral hospitals, 942 health centres and 67 health posts.

[65] Various national programmes that depend on the services of staff posted at the operational district level complain about the lack of capacity to implement their programmes.

Various factors account for the difficulties of raising performance standards. These include issues of general management and to a lesser extent clinical skills, as well as to a lack of infrastructure, equipment and operating budgets. It also has to do with broader issues of human resources management including pay and incentives. The absence of strong demand side pressures for quality care on the part of the community (health seeking behaviours) and the fact that most people in fact continue to seek medical care outside of the government system reinforces this situation. Various initiatives are being taken to find ways to improve the quality of care, such as through contracting arrangements that have helped to improve overall management[66] and practice in the workplace, and in remote areas, by working through NGOs. The need to raise professional standards through external and self regulation is also noted.

2.2. CHALLENGES OF DEVELOPING CAPACITY IN THE HEALTH SECTOR

Developing public sector capacity is a formidable task in any situation. It is all the more challenging in a country such as Cambodia given its recent political, economic and social history (see the first report[67] for more elaboration on these wider contextual factors). In a sector as complex and multi-faceted as health, faced with rapidly changing demands, due to epidemiological and demographic change, as well as a rapid pace of technological innovation (vaccines, drugs, diagnosis and equipment) those challenges are that much more pronounced.

Developing and then sustaining the capacity of an entire system to deliver health care services must, therefore, be viewed as a long-term and on-going challenge. In a rapidly evolving environment, with the emergence of new demands and challenges for health care delivery, managing a process of continuous improvement and adaptation so as to assure effective performance will remain a core task of the Ministry.

The following paragraphs sketch out a selection of capacity development challenges.

Being Clear about Vision and the Direction of Change - Discussions about capacity usually end up with questions being asked about capacity "for what", and capacity "for whom". The point here is that any long-term strategy to develop health system capacity needs to be based on a fairly clear idea of the kind of system envisaged. Otherwise, the risk is that the wrong mix/types of capacities will be developed. Given the complexities involved, the need

[66] The 2007 Cambodia Health Services Contracting Review (Sadiq, A et al, 2007. Strategic Review of Contracting for health services in Cambodia, Conseil Sante) noted that while in some instances, contractors had contributed to strengthening the management capacity of operational districts (including health centres and hospitals), in others, contractors had largely performed a substitution role, taking on the management responsibilities normally performed by operational districts.

[67] Key challenges identified in the first report relate to the supply of human resources, the state of the education system, incentives and motivation, lack of demand-side pressures, power and interests, approach to public service reform.

for prioritisation and sequencing is also important. While having a clear picture of where one wants to go may not be entirely feasible, being clear about the direction of change is nevertheless crucial.

Interviewees acknowledged that progress is being made on clarifying the vision among stakeholders, but that some fundamental issues still need to be sorted out. While the new health strategic policy states that the Government sector is expected to play a stewardship role in an overall health system, further discussion is needed on the precise roles that the public and private sectors are expected to play.

Managing a Complex Web of Actors - In developing health sector capacity, account needs to be taken of the many actors involved in the delivery of health care in Cambodia, each of which will be confronted with its own unique capacity challenges. The most significant is the Government through, principally, the Ministry of Health. As already noted, the Ministry is itself a complex entity operating at headquarter, provincial, district and community levels and through a multitude of departments, programmes, centres and training institutions. A number of other ministries and layers of government also interact with the Ministry of Health in a number of different ways which can both facilitate and constrain the Ministry's capacity to perform.

Non-State Actors also play a significant role in the delivery of health care services. There are numerous non-governmental organisations, both international and local working primarily at the community level but also interacting with higher levels of the health care system as service providers or capacity builders[68]. Recognised as an integral part of the delivery system, NGOs can also be considered legitimate recipients of capacity development support. The role of the private sector should not be under-estimated. Privately-owned clinics and pharmacies represent *de facto* major providers of health care services in both urban and rural areas, and sometimes compete with health centres and referral hospitals for patients.

Development Partners can also be considered as part of the health care delivery system, through their involvement in policy dialogue, programme and system development, financing and project implementation. Given the continued high level of dependence on external funding to meet operational costs, the influence of DPs cannot be underestimated. As the next chapter illustrates, this is by no means an homogenous group, comprising an array of organisations with different mandates, capabilities and ways of engaging with the system.

Developing the Right Mix of Capabilities - A system as complex as that of health relies on a wide range of individual skills and organisational capabilities. Determining the correct mix of skills and capabilities is a daunting task but one that is fundamental. The task of

[68] More information on NGO providers can be obtained by accessing the MEDICAM web-site at www.medicam-cambodia.org.

determining which capabilities are critical and which mix of capabilities best supports the achievement of current and future needs of the sector has to be given the attention it deserves by managers and staff at all levels.

A recurring challenge for the sector seems to be to strike the right balance between the development of "back office" or managerial capabilities and "front office" or clinical/medical capabilities[69]. Each of these principal categories can be further broken down.

Included within the "back office" capabilities are the familiar core functions of planning, budgeting, procurement, monitoring & evaluation, and human resources management that are common in most medium and large organisations. In addition, capabilities associated with the specific management of health services such as health financing, training, health research, contracting, quality assurance, drugs and facility management (hospitals and health centres), among others need to be considered. And in the current context of the health sector in Cambodia, particular attention needs to be given to capabilities for exercising appropriate forms of leadership at different levels of the system, for managing complex change processes, for building and managing relationships between different actors and for engaging constructively with external stakeholders including development partners.

Under the rubric of "front office" capabilities is a plethora of technical-related capabilities linked to the delivery of particular medical services, the most obvious being those related to promotive, preventive and curative health care delivery. These capabilities are based on a set of procedures, systems and protocols/guidelines, as well as on an appropriate mix of human resources: midwives, nurses, doctors and paramedics that have both general and specialised skills[70].

There are also important capabilities that may on the surface seem less apparent to health professionals. These are critical to any organisation that needs to manage complexity in a rapidly changing environment and relate to the capability for adaptation and renewal, and to the management of change. Knowledge, learning and innovation are crucial in this regard.

Addressing the Issue of Staff Motivation and Retention - The health sector is not immune to the wider challenges of motivating and retaining staff within the Cambodian public service, an issue that was raised in the first report. Finding ways to retain and motivate staff poses one of the most significant challenges to sustaining capacity gains and to improving the quality of service delivery.

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[69] The issue of balancing "front office" and "back office" capabilities is discussed in various reports prepared by Oxford Policy Management for the MoH. See for example: OPM (2007) *Institutional Development Plans For The Cambodian Health Sector -Summary Report.*

[70] Of course having access to predictable budgets, adequate infrastructure, equipment and materials, as well as logistic support is critical too.

It was reported that staff is not well motivated and often perform below expected standards. There are real difficulties in posting qualified personnel to remoter parts of the country. Various departments also reported a high turn-over of staff as trained personnel move on to "greener pastures" either in the private sector, among NGOs or with development partners all of which are able to offer more attractive conditions of employment including higher pay and attractive professional development opportunities.

The loss of personnel creates difficulties for succession management and often results in the familiar problem of the "missing middle" whereby organisations end up being strong at the top and bottom but weak in the middle precisely where skills are needed to support implementation. This also creates a vicious cycle of demand for technical assistance to "re-build" or "substitute for" the capacity that has been trained and subsequently lost.

Adequate pay is only one part of the motivation equation. Lack of attention to human resources management more generally including the development of appropriate mechanisms [71] to reward performance and sanction non-performance, provide career development opportunities and provide a working environment that inspires productivity and responsibility is also noted.

Balancing the Supply and Demand Sides of Capacity Development - It is usual to think about capacity development in terms of the supply and/or development of skills, systems, equipment and structures, all of which represent what might be described as the technical realm of capacity development work. International experience suggests that attention also needs to focus on factors that influence the demand for change. Developing the capacity of any organisation to perform depends on the willingness of decision-makers and technical staff to learn and to embrace change. Often this is stimulated by pressures imposed from outside the organisation. In a public sector context, demands for performance improvement can come from two principal sources; first from the political leadership and second from service users. In the absence of either, there is no guarantee that working on the supply side alone will translate into improved performance. Part of the challenge for those involved in capacity development work is therefore to understand the context within which change needs to take place and to correctly identify the drivers and/or barriers to change. There are no golden rules here. In some contexts, political pressure from above may be key to change, especially where service users are not articulate or empowered. In others, pressure from below may be key to stimulating action. It is also possible that the motivation for change comes from public servants themselves as well as through the efforts of development partners to stimulate new thinking and test out new practices.

Balancing Service Delivery and Capacity Development - A major challenge for the Ministry and other health sector participants is to strike the right balance between investing on the

[71] The term "appropriate" is used in the sense of what is perceived by local stakeholders to be reasonable and fair.

one hand in the development of sector capacity while at the same time ensuring the delivery of services. This is a classic dilemma that most organisations face, but is particularly acute in a situation where capacities are recognised to be weak but where the pressures to show results in terms of improved health care are significant. Too much attention to capacity development and getting the system right and the provision of services may be neglected. Too much attention to ensuring service delivery today can result in an under-investment in the development of sustainable capacity and an over-reliance on quick fixes, capacity substitution approaches and the creation of parallel structures, financed and managed by development partners. Finding ways to strike the correct balance in the context of the health sector should be discussed by local stakeholders and development partners as part and parcel of the process of developing a capacity development strategy for the sector.

Taking Account of Systemic Reforms - It is important to recognise that the health sector is part of a wider public administration apparatus. While the Ministry of Health can shape many aspects of its capacity, it is also influenced by features of the larger system. Systemic reforms that are critical to the future capacity of the Ministry and performance of the sector include: public administration reform (PAR), public financial management reform (PFM) and decentralisation & deconcentration (D&D). It will remain critical for the Ministry to take account of and engage in these cross-cutting processes, as it implements its own capacity development strategy.

3. THE CONTRIBUTION OF TECHNICAL COOPERATION

This chapter begins by briefly describing some of salient features of the TC "landscape" in the health sector in Cambodia. It then summarises some of the ways in which TC at an aggregate level has contributed – both positively and negatively – to the development of capacity in the sector. Given the complexity of the health sector and the large number of actors involved, no attempt is however made to attribute in precise terms the specific contribution of TC providers to particular capacity development outcomes.

3.1. THE TC "LANDSCAPE"

"Technical Cooperation" is a very broad term, which is used and applied in many different ways. It is also delivered through a heterogeneous group of actors. This makes the task of drawing general conclusions about its contribution and impact on capacity development that much more difficult. To help understand "*What we are talking about*", this section offers a brief overview of the TC "landscape".

A Large Number of Providers - The Cambodia 2007 Aid Effectiveness report[72] highlights the large number of development partners that are supporting the development efforts of the Cambodian government and people. According to the report, this has resulted in a proliferation of projects and initiatives. There are typically many development partners engaged in any single sector, with resultant challenges of coordination on the part of Government and raising questions about the overall efficiency and effectiveness of such support.

The health sector provides perhaps the most acute example of this situation. There are at least 20 bilateral and multilateral agencies active in the sector as well as an estimated 100 NGOs and technical agencies providing various services. It is estimated that there are over 100 on-going projects in the sector financed by development partners[73].

A significant proportion of external assistance to the health sector is categorised as technical cooperation. Latest figures suggest roughly 30%[74]. Yet, even here, figures need to be treated with some caution as the criteria upon which data is captured is interpreted in different ways. There are also no figures on the exact number of technical assistance personnel working in the sector. The Ministry of Health recognises the challenge of capturing the full nature and extent of the TC support that is being channelled through different parts of the sector. In view of the un-reliability of data, much of the information presented here is based

[72] Royal Government of Cambodia, *The Cambodia Aid Effectiveness Report*, May 2007.

[73] In fact, the health sector accounts for the largest share of total official annual development aid (close to 20% in 2006).

[74] This is a preliminary figure based on latest monitoring data. The figure would probably be higher but is brought down by the significant amount of non-TC funding allocated to HIV/AIDS.

on information provided by respondents during interviews and should be treated as indicative in nature.

Providing TC in Many Different Ways - Technical cooperation is provided in many different ways. In some instances, TC support is part and parcel of programmes that include financial assistance. In other instances, TC is provided as a discrete project with a clear focus on capacity development and combining a package of measures that might include Technical Assistance personnel, training and equipment. Alternatively, TC can be more stand-alone in nature. Examples include bursaries for overseas training, or the deployment of individual TA personnel without an accompanying budget or project. The category of TA personnel can also be disaggregated. A distinction can be made between long-term residential TA personnel and the short-term technical inputs provided by consultants. Volunteers fielded by various development partners represent another sub-category of TA personnel.

Development partners such as DFID, AusAID, the World Bank and USAID finance technical cooperation but do not get directly involved in implementation. Private firms, NGOs and individuals from the consultancy sector or from public sector organisations are contracted to provide technical cooperation services which can range from large multi-dimensional support programmes often linked to financial assistance to the provision of individual experts. They can also finance twinning arrangements between institutions in the north and south.

Box 27: AusAID – Taking Practical Steps to Harmonise and Align Support

After an absence of 5 years, AusAID is returning to the health sector. However, rather than setting up a separate project, AusAID will mainly finance the work of agencies already active in the sector. The bulk of its funding will therefore be channelled through the HSSP 2 / Pooled funding arrangement. From AusAIDs perspective, this is considered to be a more effective way to provide resources in support of harmonisation and alignment and believes there would be little value-added in setting up a separate project structure.

AusAID will also provide smaller amounts of technical assistance support through other channels. These include UN specialised agencies such as the WHO, UNICEF and UNFPA to work on specific areas such as avian flu, and human resources development. To a more limited extent, it is co-funding the work of other bilateral agencies such as GTZ for example in relation to its on-going pilot project on linking community-based health insurance with equity funds in Kampot.

For some agencies, such as GTZ, JICA, BTC and UNDP, technical cooperation is core business. Technical cooperation projects and programmes typically comprise a mix of short and long term technical assistance personnel, the provision of training and related learning opportunities (on the job learning, study tours and peer exchanges etc) and the supply of equipment. This package of inputs are usually guided by an intervention logic aimed at progressively strengthening individual and organisational capacities – in some instances over a medium to long term period.

UN specialised agencies focus more on the provision of short and long term expertise, rather than on financing technical cooperation projects/programmes. WHO for instance is a major provider of technical expertise to the health sector in Cambodia where it runs one of its largest offices worldwide with some 23 residential experts working across different parts of the Ministry of Health. Technical cooperation provided through WHO consists primarily of the provision of residential experts, but it also provides short-term expertise.

The Different Roles Performed by Technical Assistance (TA) Personnel - As already noted, technical cooperation is often associated with the deployment of TA personnel. It is often assumed that their primary function is to develop capacity. In practice, TA personnel can perform a multitude of functions, which may or may not be linked to the objective of capacity development. Usually, multiple roles are played but these are typically not well defined. The Ministry of Health has experience of TA personnel performing various roles:

- Many short-term TA personnel are recruited to provide discrete technical inputs. This might be during the project design, implementation or evaluation phase. Such inputs do not necessarily contribute to capacity development.

- Long-term TA personnel may be recruited as advisors with a brief to impart knowledge and skills to counterparts, to accompany change processes and to develop systems and procedures. They may be part of a larger technical cooperation intervention, or recruited on an individual basis. Here the role is more easily defined as being oriented towards capacity development.

- In other situations long-term TA personnel may play a more "hands-on" role bolstering the implementation capacity of the host organisation by focusing on task accomplishment but in the process doing less advising or coaching. This is often referred to as gap-filling.

- Many TA personnel also continue to perform a management and control function. This is usually the case where TA is linked to a project (either a discrete TC project or a combined TC and financial assistance project) where there is some form of project management structure. TA personnel may in these circumstances have responsibility for preparing budgets and financial reports, as well as managing procurement, personnel and logistics associated with the project. In some instances, a dedicated project coordinator is fielded. In other circumstances, an advisor, ostensibly recruited to develop capacity also functions as a manager.

- TA personnel can also perform other roles. Examples include research, advocacy work, networking or the brokering of relationships between different actors and stakeholders.

Working at Different Levels of the Health Sector - As already noted, there are many development partners involved in technical cooperation work across the health sector. According to some respondents, an informal "division of labour" among providers has

begun to emerge with agencies distinguishing their support in terms of health issue, geographical area or actor. The work of the Technical Working Group for Health – discussed in the next chapter – is helping to bring a little more structure to this division of labour, but there is a long way to go[75]. While some smaller agencies such as BTC have focused their work geographically by working in particular provinces, larger agencies such as JICA have tended to work with particular health sector institutions such as CENAT and MCH on specific health issues, while also supporting a number of cross-cutting issues, such as pre-service training. Typically, support provided at the national level, aimed at policy and systems development, is followed up with support to selected operational districts. Similarly, GTZ, which has focused it support in the area of quality assurance, social health insurance and human resource development, works with central MoH departments in policy/ guidelines development and also supports implementation in selected geographical locations.

WHO fields support across a large number of health sector areas – both clinical and management - while UNICEF focuses on those areas that have a direct bearing on child health and welfare. USAID works primarily with civil society organisations and targets most of its support at the community level. Members of Health Sector Support Project 1 (HSSP 1) provide support in different ways across a wide range of areas based on the priorities identified in the health sector plan so TC interventions might appear at central or provincial levels or may target clinical or management functions.

Box 28: WHO – Providing Technical Expertise and Global Knowledge

The provision of expertise by WHO is guided primarily by priorities identified by the Ministry of Health and Health partners but provision can also be influenced by other agendas for instance, global and regional health priorities. Provision is also influenced by the funding priorities of the agencies that finance the WHO itself, who may wish to focus on particular health issues.

The roles and functions of TA personnel are recognised as having changed over the years as capacity within the sector has increased. For instance, WHO experts are considered to play more of a facilitation role aimed at reinforcing capacity across the health sector, rather than capacity substitution aimed at implementation which was the case previously. There has also been a shift from the provision of highly specialised clinical experts to the provision of health system experts in line with changing capacity challenges of the sector. Whereas in the past, WHO experts were positioned in the provinces, they are today working exclusively at the central level.

Overall, considerable support is provided at the national level where development partners support various initiatives across Ministry departments, national programmes and centres.

[75] EU member states are exploring ways to reduce fragmentation by limiting the number of sectors and sub-sectors they are involved in. Delegated cooperation whereby the resources of one member state are administered by another is one way of addressing this challenge. Setting a ceiling on the number of sectors a specific member state can support and how many can support any given sector are other ways.

This may have an organisational, thematic or programme focus. Typically, more than one development partner may be involved. At the field level, technical cooperation is also organised according to geographic area (such as a particular province or set of operational districts), thematically (dealing with particular health issues) or organisationally (e.g.: supporting the working of specific NGO providers). The resultant "patchwork" of support poses a real challenge for coordination and for assuring complementarity of effort. Many development partners that are active primarily at the field level try to maintain a link at the national level so that experiences from the field can be fed into national processes, and vice-versa. The following examples may help to illustrate patterns of supply.

- The *department of Planning and Health Information* receives support from the HSSP partners (Monitoring and evaluation), from WHO (planning and health information), from GTZ (social health insurance) and soon from AFD (advisor on contracting). The HSSP Project Implementation Unit is also formally annexed to the planning department.

- The *National Maternal and Child Health Centre* (NMCHC) has been receiving considerable support from JICA since the mid-1990s but also receives various forms of direct and indirect TC support from other development partners. DFID is providing support on safe abortions while WHO is providing assistance on nutrition. UNICEF and UNFPA are working both at headquarter levels and in the field on various aspects of maternal and child health. USAID meanwhile supports the work of a number of international NGOs such as Care and local NGOs such as RHAC that work at the community level on issues related to reproductive health as well as on other aspects of maternal and child health. The Centre is also a recipient of the Global Fund for PMTCT (Prevention of Maternal-to-Child Transmission of HIV/AIDS).

- The *National Institute of Public Health* (NIPH) has received long-term support from GTZ to develop capacity. While the level of GTZ support has been reduced in recent years, other agencies have become active. Examples include the United States Centre for Disease Control and Prevention as well as the Rockefeller foundation. The Institute has also forged collaborative agreements with a number of overseas tertiary education institutions in Vietnam the Philippines, the United States and Australia.

3.2. CONTRIBUTION TO THE DEVELOPMENT OF HEALTH SECTOR CAPACITY

Given these patterns of TC support, and taking account of the challenges of capacity development described in chapter 2, what can be said about the contribution of TC to health sector capacity development? TC in all its diversity has without doubt made an important collective contribution to the development of health sector capacity. However, quantifying the extent and nature of that contribution across the myriad of initiatives implemented over the years and across a sector which itself is so diverse is not easily done. Moreover, it is difficult to judge the extent to which different initiatives have purposefully complemented

one another. In some instances, this has surely been by design, and with good effect but in others, opportunities for complementarity may have been missed. What can be concluded is that as a collective effort, important contributions have been made towards the progressive strengthening of capabilities across the sector. TC has helped to develop health sector capacity by:

- Increasing the knowledge and skills of health workers particularly clinical staff, but also paramedics, to perform basic duties in the workplace as well as to develop specific specialisations related to the treatment and management of particular health problems, examples of which include TB, and HIV/AIDS.
- Strengthening the management and organisation of national programmes (run through Centres, Institutes and departments), and health facilities (hospitals and health centres), by helping to develop policy frameworks, programme implementation strategies, procedures and technical guidelines.

Box 29: JICA's Support to TB and MCH

JICA has worked closely with two national centres since the mid-1990s; CENAT and NMCHC on tuberculosis control and maternal and child health care, both of which are set as priority health issues of JICA's support based on the request from the MoH and its national policy. JICA is recognised for its expertise in these fields based on its own experience in improving TB and MCH after World War II.

In both cases, the strategy has been to support both the strengthening of clinical and management skills of staff as well as to strengthen organisational capacities related to systems and procedures. Such capacity support has been combined with infrastructure support through construction of the CENAT and NMCHC buildings.

The approach has been to work initially at the headquarter level (responsible for policy-making, programme management and technical support to the provincial level) and then to progressively extend support to provincial and sub-provincial levels. Support has involved a combination of short and long term TA, training in Japan as well as the organisation of in-country training programmes.

JICA recognises the value of the sub-TWG system to strengthen cooperation among development partners involved in the MCH and TB sub-sectors. It is working with GAVI/HSS in selected districts to explore synergies between technical cooperation provision and the financing of health care delivery. It also values the opportunities offered by other partners to tackle issues of pay and incentives as this is regarded as critical to sustaining the technical capabilities that have been developed through JICA assistance.

- Improving core ministerial functions, most notably planning and information management that has enabled the Ministry to prepare consecutive health strategic plans as well as departmental and provincial level annual operational plans, and to be able to report on progress at the Joint Annual Performance Review.

- Promoting the innovation and piloting of novel delivery modalities and financing mechanisms that have the potential to contribute to the overall development of national health systems. Examples include equity funds and social health insurance, external and internal contracting[76], as well as the building of partnerships between communities, NGOs and government service providers.

Box 30: GTZ – Contributing to Health Systems Strengthening

GTZ support to the Ministry of Health is guided by HSP 2. Support is directed at three main areas that are seen as contributing to overall health systems development: social health insurance, quality assurance, including charter on patients' rights, and human resources development (health managers and technical staff through pre- and in-service training).

GTZ combines work at the field level where new ideas and systems can be tested out with support at the national level to reinforce the link between policy and practice. While GTZ support typically involves the fielding of long term TA personnel, which involves the increasing use of national TA but also experts sourced from the region, emphasis is placed on the use of process approaches. This is time intensive - for example it took the best part of two years to develop the patients' charter - but considered preferable to an expert-led approach where the emphasis is on product delivery, but where there is a risk of weak ownership and where the potential of learning is not realised.

GTZ recognises that staff motivation and retention are difficult and risk undermining the sustainability of it support. .In this regard it considers it a critical task for MoH to improve human resources management including remuneration.

- Helping to tackle issues of individual and organisational performance and accountability through the development and testing of various performance-based incentive schemes, such as the Performance Based Salary Incentive (PBSI) scheme in NCHADS, MBPI in the Ministry (not yet implemented) and at provincial level, through contracting and similar arrangements (HSSP partners, BTC, GAVI).

- Working on aspects of the demand side of capacity development, particularly in terms of promoting community empowerment and education. Equally working on some of the soft aspects of capacity development such as promoting new working practices, changing mind-sets, stimulating innovation, and helping to build individual confidence and organisational legitimacy[77].

[76] Experimentation with Contracting began in the 1990s and has followed various modalities. For further information, see Sadiq, A et al, 2007. *Strategic Review of Contracting for health services in Cambodia, Conseil Sante.*

[77] According to a JICA evaluation of its support to the MCH programme respondents interviewed about the support received commented less on the specific knowledge received but more on the pride and confidence they felt as a result of involvement in what is now considered a very successful programme.

Box 31: USAID – Working with Civil Society

USAID is a major provider of technical cooperation to the health sector. TC services are provided through third parties, primarily international and to a growing extent local NGOs and to a more limited extent through commercial consultancy firms.

The focus of support is at the community level, where the main objective is to build the capacity of local NGOs (primarily via the support of International NGOs) to function as complementary providers of health care services, as well as to function as capacity builders. The focus is also on the empowerment of the community to better understand health issues as well as their rights and responsibilities vis a vis health care services.

This is no more than a summary list indicating broad areas of impact. TC in its various forms has without doubt played an important role in accompanying the process of capacity development within the health sector. A more in-depth analysis of TC experiences might help to better understand how different approaches and methodologies contribute to the development of individual and organisational capacities.

That said, the support of development partners is not always positive. There are indeed many shortcomings in the way TC is delivered that need to be recognised. Many of these shortcomings are not unique to the health sector but reflect a number of systemic challenges that relate to the way in which development cooperation programmes are conceptualised, designed and delivered. Some of these shortcomings, which were examined in more depth in the first report, carry implications for the relevance, effectiveness and sustainability of the support offered.

Given the level of TC activity within the health sector, it was not possible, nor desirable to single out specific instances of good or bad practice. But based on the remarks of respondents, it is clear that the issues raised in the first report regarding the sometimes negative impacts that TC can have on the development of capacity, suggests that these are certainly as relevant to the health sector as to any other. The list below sets out some of the more significant areas, *without in any way attempting to quantify the extent and magnitude of their effect*.

- A lack of ownership on the part of Cambodian officials for initiatives that have been largely conceived, designed and implemented by development partner personnel, and a commensurate reluctance to critically review and if need be reject offers of support that are not considered relevant.
- The resultant syndrome of "tolerated" TC whereby TC support is accepted on the basis of the resources and benefits/perks it brings rather than on the relevance of the support it might provide to meeting sector objectives.
- A proliferation of development partner funded TC projects often managed through separate project management arrangements that place a considerable administrative

burden on the host organisation, draw personnel away from core duties and that in the process risk to undermine efforts to build sector policy coherence and the development of core capacities.

- The simultaneous implementation of different projects represents a major challenge for coordination and for managing diversity whether at the field level, the departmental level or the sector level. Despite intrinsically good intentions, the multiplicity of initiatives can easily overwhelm the absorptive capacity of the host organisation with risks of duplication of effort, distortion of priorities, the receiving of conflicting or contradictory advice, and the missing of opportunities for synergy.

- Decisions on where to invest in capacity development can be influenced more by the policy priorities of development partners than those of local stakeholders. The classic example is the area of HIV/AIDS where the global resources that are now available tend to result in a sometimes disproportionate funding of this sub-sector to the detriment of other spending areas. The result is that TC is drawn to high visibility areas, where there is funding and a pressure to disburse, whilst other areas that also deserve support might end up being overlooked.

- A tendency to focus the capacity development support provided through TC on achieving the short term implementation needs of individual projects rather than focusing on a more systematic process of human resources and organisational development defined by sector-wide priorities and needs. This can particularly affect the provision of in-service training.

- The fielding of TA personnel that lack appropriate skills and attitudes that are critical to the development of constructive working relationships based on trust and understanding and that provide the basis for effective knowledge exchange and learning. Linked to this is inadequate attention to the assignment of counterparts and of proper definition of the respective roles and responsibilities that TA personnel and their counterparts are expected to play.

- In this regard, the strategies for engaging in capacity development work through technical cooperation remain often poorly defined, and can be based on an inadequate analysis of existing capacity strengths and weaknesses, opportunities and constraints.

4. TC for CD - TOWARDS MORE EFFECTIVE PRACTICE

Drawing on the recommendations for effective practice highlighted in the first report, this chapter considers the collective actions that can be taken by the Ministry of Health and development partners to improve TC practice for capacity development.

The first report concluded that while there continues to be much criticism levelled at technical cooperation, in the Cambodian context, genuine steps are being taken by the Government and by development partners to improve practice. The report goes on to argue that further improvements can be made by tackling the issue from two mutually reinforcing perspectives:

First, from the perspective of promoting greater country ownership and responsibility for the management of technical cooperation.

Second, from the perspective of improving the way capacity development work is conceptualised, designed and implemented.

4.1. PROMOTING GREATER GOVERNMENT OWNERSHIP AND RESPONSIBILITY FOR TC MANAGEMENT

Tackling issues related to TC management and ownership is fundamental in a sector as complex and demanding as health. The first report underscores the need for actions to:

- *Reduce fragmentation through increased harmonisation and alignment*
- *Promote RGC responsibility for design, procurement and management of TC*
- *Strengthen RGC capacity for TC management*

These action areas are of undoubted relevance in the health sector, given the challenges involved in developing sustainable capacity across the entire sector and given the multiple and differentiated forms of support that are being provided by development partners.

The first report concluded that the government together with development partners are already making serious efforts to tackle these issues. A large part of the impetus for doing so is coming from the Government's aid effectiveness agenda and in particular through its commitment to address issues of harmonisation and alignment[78].

Without a doubt, the health sector has started to take concrete actions to exercise greater leadership, ownership and responsibility for the management of aid in general and technical cooperation in particular. Although the steps taken constitute work in progress, there are

[78] See RGC (2006) *Action Plan on Harmonisation Alignment and Results.*

reasons for some optimism, with real prospects of increased Government ownership and of technical cooperation being better harmonised and aligned behind a sector strategy. Further progress will depend on the current momentum being maintained and on the commitment of all parties to further consolidate and deepen the progress made thus far.

Two of the principal building blocks for enhanced Cambodian ownership and management of technical cooperation in the health sector are considered to be:

- The Health Strategic Plan and related planning and budgeting processes
- The Health Technical Working Group Mechanism[79]

4.1.1. THE HEALTH STRATEGIC PLAN AND RELATED PLANNING AND BUDGETING PROCESSES

As was already noted, the Ministry of Health and development partners have made progress over the past five years towards strengthening the planning function within the health sector. The Ministry is now in the process of finalising its second strategic plan (HSP 2) which will cover the period 2008-2015, and which has been developed in close cooperation with development partners[80].

Although the plan is considered by some to be so broad as to enable almost any proposal to be fitted in, the general opinion is that HSP 2 represents a major step forward towards articulating a long-term vision to guide development of the health sector including for capacity development. In so doing it offers an invaluable framework for harmonising and aligning external aid, including technical cooperation and for strengthening Ministry ownership of its development strategy.

Besides the HSP 2 document, a good number of departments, programmes and centres have developed their own respective strategic plans that provide a basic roadmap for priority setting and for the more detailed development of annual operational plans (AOPs). An example is the plan of the Department of International Cooperation (DIC) which identifies specific technical cooperation needs to help it meet its departmental mandate and objectives.

The combination of strategic plans and AOPs offer a basis upon which development partners and the government can identify priority actions and areas for external support. This has the potential of enabling the Ministry of Health to take greater charge of agenda setting, determining needs and assessing the value or otherwise of proposed external assistance. This is needed at three levels. First, at the overall sector level where key strategic

[79] Cambodia has also joined the International Health Partnership initiative as one of seven first wave countries, which encourages development partners active in the health sector to actively promote the harmonisation and alignment agenda. This is a new development and to date no concrete actions have been taken, though it is understood to be interested in exploring issues of TC provision more closely.

[80] HSP 2 has been drafted and launched in April 2008 during the joint annual performance review.

priorities have to be determined, second at the department, programme and Centre level where more operational priorities need to be identified, third at the provincial level where a recurring challenge is to formulate a coherent plan that takes account of the various initiatives emanating from national programmes as well as province-based development partners and NGOs.

From the point of view of the MoH, the main concern is that development partners agree to support its sector priorities and that they use the strategic and annual operational plans (as well as the TWG mechanism, discussed below) as the basis for doing so. This would represent a step towards realising a more harmonised and aligned programme, even if the support of development partners is guided through different implementation modalities. This is the understanding of the Ministry's SWIM or sector-wide management approach[81].

For a number of development partners this more robust planning framework offers an opportunity to work through pooled funding arrangements, as described in the box below. For others who work through project modalities, the planning framework provides a reference point for negotiating areas of assistance and for ensuring that proposed support is harmonised with the contributions of other development partners.

Box 32: Pooled Funding– A Mechanism for Promoting Country-Managed TC

The experience of the Health Sector Support Programme Project (HSSP1: 2003-2008), and its transition into a pooled fund – currently with the support of two bilateral agencies (DFID and AusAID) and two multilateral agencies (World Bank and UNFPA)[82], provides an example of the opportunities created for harmonising and aligning TC support behind the health sector plan.

While the idea is to encourage the use of common management arrangements through the use of pooled funds, provision is also made for other development partners, who are unable to pool their resources, to join the programme by channelling their support through discrete accounts. In this sense, the arrangement might be likened to a "loose" SWAP.

- The intention is that resources will be used to support the core strategic priorities identified within the HSP 2. It is anticipated that funding will target the financing of MBPI, infrastructure development, service delivery grants and human resources and institutional development.
- Prioritisation will be determined by the annual operational planning process within which TC needs (whether in the form of individual TA inputs or more structured TC support) are expected to be identified.

[81] A similar example of an emerging sector-wide approach that embraces different delivery modalities is the Public Financial Management Reform Programme (PFMRP). See the first report for more information.

[82] Other development partners might still join.

Box 32 Continued.

- Although not yet decided, provision may need to be made to earmark the financing of a number of strategic TA posts to support the implementation of priority areas and to support the strengthening of core capabilities. (This was the arrangement under HSSP 1 where for instance the posts of M&E and procurement advisor were identified).
- Alternatively, development partners outside of the pooled fund mechanism might be in a position to mobilise TA personnel to fill such posts. De facto this is already happening. For instance, with AFD funding, the Ministry will recruit a contracting adviser who will be expected to work not only on AFD support at provincial level (Takeo province) but equally with the wider roll-out of contracting arrangements that will be financed by the pooled fund partners. Something of a similar nature may be arranged with BTC.
- MoH will be expected to take charge of developing terms of reference for TC providers and for leading the recruitment and selection process, even though the actual procurement will continue to be outsourced to a specialised procurement agency. TC providers hired through the programme should, in principle, be accountable on a day-to-day basis to the responsible department. In this respect, TA personnel will be expected to perform primarily CD/advisory roles with limited or no management responsibilities.
- The complexity of the programme and the likelihood that parallel management arrangements will still be required (financial management and procurement) means that some form of PIU structure will still be retained. The intention however is that any remaining functions performed by the PIU should be progressively shifted to the Ministry. The time-table for doing so is still under discussion.
- There are risks involved in a pooled approach that relies on the Ministry's own planning process. If the plans of the ministry do not offer adequate guidance on capacity development and TC provision, proposals for support may be made on a rather ad hoc basis. Support may well be needed to assist departments to prepare appropriate CD plans including the carrying out of capacity needs assessments. By relying on Ministry systems, however, development partners are inevitably encouraged to support the development of Ministry capacity to address human resources management and organisational development. (The issue of CD strategies is further discussed elsewhere).
- Pool funding arrangements do not necessarily provide the best mechanism for financing the needed innovation and experimentation for health system development, as the tendency is for funding to be channelled to meet core ministry capital and recurrent expenditures identified in the plan. This is where non-pool development partners that specialise in technical cooperation may be well positioned to offer complementary funding that can support such needed work with the assistance of TC.
- The basis for evaluating the performance of the programme will be indicators set by HSP2. The advantage here is that the pool partners avoid micro-management and refrain from imposing separate monitoring and evaluation arrangements. The disadvantage is that the opportunities for learning about the detailed process of capacity development and the factors that make TC effective may be lost.

4.1.2. THE TECHNICAL WORKING GROUP (TWG) SYSTEM

The health sector TWG system comprises the main health technical working group (TWG-H) and its secretariat, a set of 8 technical sub-working groups (a further 3 are soon to be established) that focus on specific health-related programmatic and cross-cutting themes and most recently a set of provincial technical working groups that bring together all actors active in health care delivery at the provincial and sub-provincial levels.

Overall, this network of health TWGs is considered to be among the stronger and more effective in Cambodia. Given the complexity of the sector and the large number of development partners involved, having an effective mechanism in place that is able to promote greater harmonisation and alignment of external inputs behind a government-led strategy is absolutely crucial[83].

While much more can be done to improve its effectiveness, the progress made to date is widely recognised. A recent evaluation of the health TWG system [84] underlines the achievements made and describes it as providing a unique opportunity to further the harmonisation and alignment agenda.

From the perspective of technical cooperation and capacity development, the actual and potential value of the TWG is considered to rest in the following:

- It provides an opportunity for dialogue and information sharing on who is doing what and where. In the process, it can help to break down the compartmentalisation that easily arises from separately funded and administered projects and helps to build greater coherence and complementarity across particular programmatic or thematic areas of intervention[85]. At a minimum, it enables members to identify areas of duplication or of need, where progress is being made and where problems are being encountered. It can also encourage more transparency and accountability among partners vis-à-vis their contribution towards the implementation of commonly agreed objectives.
- The eight sub-TWGs are valued for the opportunities they offer for collective problem-solving regarding technical issues and for promoting a coordinated response to tackling specific health issues. This was noted in relation to the sub-working groups on TB, HIV/AIDS, and MCH. The director of CENAT for instance

[83] It should be noted that development partners involved in the health sector also have their own forum for exchange. Development partners mainly multi-lateral, bi-lateral and NGO representative are holding monthly HP (Health Partner) meeting, which is scheduled one week prior to the TWGH-Secretariat meeting. Meanwhile MEDICAM provides an essential forum for bringing together the very many small and large, national and international NGOs that are active in the health sector.

[84] Wilkinson (2007) *Review of the TWG-H and its Secretariat.*

[85] It is noteworthy that the TWG-H has a membership of 74 (47 MoH members and 27 DP members).

remarked that the TB sub-working group includes NGOs and has helped ensure that they all follow a standard approach. Managed well they can contribute to what was described by two programme managers as more team-based or partnership based ways of working.

- It was also reported that the sub-TWGs are being used increasingly to review the Terms of Reference and CVs of proposed short and long-term TA. This is done on a collegial basis, and has the potential for promoting greater complementarity of effort between agencies, and of avoiding un-necessary duplication. It also means that the results of work undertaken by TA can be more easily shared and evaluated among sub working group members.

- The issue has been raised how far the TWG should function as a peer review mechanism to actually approve or reject development partner project proposals. The general view is that the responsibility for approval or rejection ultimately rests with the Ministry of Health. However, the TWG can play a useful consultative role by reviewing draft proposals prior to their formal submission[86].

- It has been pointed out that a main challenge for the future is for the main TWG-H to be more pro-active and strategic and to devote more time to guiding sector policy, to the identification of sector needs and to furthering harmonisation and alignment. For this to happen, it has been proposed that every third TWG meeting be reserved to address a specific sector-wide strategic or policy related issues such as health care financing, human resource and so forth[87]. In this context, TWG members could be encouraged to think more systematically about the contribution of technical cooperation to the implementation of HSP 2 and more specifically to supporting capacity development. Something on a similar line could conceivably be done at the sub-working group level and likewise at the provincial level, and could provide the basis for developing a more coherent approach to CD support.

- The Provincial level TWGs are less well developed but their potential role in promoting information sharing and supporting a more coordinated approach to priority setting, budgeting and planning should be clear in provinces such as Takeo where there are reported to be over 25 development partners and NGOs active at provincial, operational district and community levels.

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[86] A separate coordination structure, the Country Coordinating Mechanism (CCM) is in place to review and oversee the Global Fund. A concern raised in the TWG evaluation is the link between the TWG and the CCM. Given the magnitude of funding channelled through the CCM, it is important that a process is in place to ensure that this does not work in parallel to the TWG. A suggestion has been made to use the TWG-H to pre-review proposals to be submitted to the Global Fund in order to address issues of harmonisation and alignment.

[87] This was recommended in the 2007 review of SWIM and also proposed in the TWG evaluation report.

Box 33: The Department for International Cooperation (DIC)

In response to the recognised challenges of coordinating the large number of development partner inputs to the health sector and to help ensure aid effectiveness and efficiency, the DIC has been established as the focal point for interactions between the Ministry of Health and development partners. To this end, it will among other things:

- Provide support to the TWG mechanism
- Review all new DP proposals
- Maintain a data-base of all external inputs
- Monitor and evaluate all external assistance

To achieve its objectives, the DIC depends on the participation and cooperation of the entire MoH as well as development partners.

4.1.3. A REFLECTION ON THE MEANING OF DEMAND DRIVEN

Although the developments described above should help to strengthen the hand of government in agenda setting and in negotiating the nature and magnitude of technical cooperation support, in reality final decisions are likely to reflect the outcome of a negotiated process. In any partnership involving two parties, this is to be expected. Despite formal commitment to government ownership and leadership, development partners are guided by their own agendas and ideas (e.g.: particular policy issues they may wish to advocate, changes in funding levels, regional and global agendas such as avian flu, HIV/AIDS that need to be addressed). They are also bound by certain legal and procedural constraints (use of own country experts, maintenance of separate financial systems, priorities determined by other funders) that determine the way they work and what they can offer.

It would also be unrealistic to expect local stakeholders to be able to fully anticipate and articulate all their needs. In this regard, a negotiated process founded on trust and frank exchange can be helpful for identifying genuine priorities.

The notion of demand "priming" can be considered in this respect. Pilot initiatives and related experiments in institutional innovation can serve as avenues of exploration and learning that bring to light options that may not necessarily have been thought about. Provided that such exploration takes place within an agreed programme of learning and exchange, and under country leadership and supervision, and that "salesmanship" on the part of development partners is avoided, technical cooperation can make a constructive contribution to the determination of needs and priorities.

Similarly, the point was made during discussions that needs are often best identified through an iterative process of joint learning, rather than through formal and once-off

negotiation rounds. This is where the TWG mechanism can be helpful as a forum for exchange but it can also happen at the operational level where development partners interact on a day to day basis with the staff of programmes and departments. In this regard, some of the technical cooperation agencies that have established close working relationships with particular programmes or organisations, can be well positioned to identify new needs and to assist in expressing demands.

Where local organisations are headed up by charismatic and capable leaders, the potential for this is that much greater as such leaders are more likely to have their own ideas on how their programmes/organisations need to grow and can think about the potential value of technical cooperation from a wider strategic perspective.

4.1.4. SUMMING UP

Mechanisms seem to be falling into place to promote stronger Ministry ownership and stewardship of the sector. Used properly these mechanisms should help to reduce the various counter-productive consequences of un-coordinated and supply-driven TC that characterised the sector in the past and should also contribute to promoting greater coherence of the sector itself, as well as creating opportunities for stronger complementarity of external inputs. Most of the actions being taken address aid management in general, and in this respect the challenges of managing TC are part and parcel of those that concern aid management more generally.

The optimism expressed here does not suggest naivety or an underestimation of the practical challenges involved in making such mechanisms work and over-coming self-interest and the desire on the part of some to maintain the status-quo. In the end of the day, success will depend on the collective willingness and commitment of the Ministry of Health together with development partners to work productively towards a common goal based on the principle of mutual accountability.

4.2. IMPROVING THE QUALITY OF CAPACITY DEVELOPMENT WORK

The challenges of building sustainable capacity in the health sector, as highlighted in chapter 2, underline the importance of country stakeholders and development partners having in place a shared understanding of the issues at stake. In practice, development partners, government officials, and NGO representatives can easily find themselves working with different and sometimes incongruent mental models about the meaning of capacity, and how it is understood to develop. Indeed, much of the literature on capacity development that has been published in recent years by development partners is influenced by western concepts of organisation, management and change that may not necessarily strike a chord with, or take appropriate cognisance of developing country contexts. This can lead to different assumptions being made among stakeholders about the nature and extent of capacity challenges and of the contribution that external partners can play in supporting local processes.

To contribute to improving the design and implementation of technical cooperation interventions for capacity development, the *first* report, therefore, suggested the need for action to:

- Encourage greater discussion and learning among stakeholders about capacity development and the contribution of technical cooperation
- Improve the conceptualisation and design of technical cooperation support
- Improve the quality of TA personnel
- Pay greater attention to the relationship between technical cooperation, public service reform and capacity development
- Strengthen the capacity of development partners to provide appropriate forms of support for capacity development

These action areas are considered relevant and important to the health sector. While it was not possible to examine each of these action areas in the context of the health sector in a systematic way, a number of key issues that relate to these action areas were identified during interviews and are discussed below. They are presented under the following headings:

- Linking TC provision to a sector-wide CD strategy for health
- Managing diversity – harnessing innovation and bottom-up approaches
- Improving the effectiveness of TA personnel
- Recognising the relationship between capacity, incentives and performance

4.2.1. LINKING TC PROVISION TO A SECTOR-WIDE CD STRATEGY FOR HEALTH

In many countries, the absence of any kind of articulated capacity development vision or strategy at the national, sector or sub-sector level makes it difficult for partners to harmonise and align external support behind a country-led process. It also makes it difficult to engage in an effective dialogue about capacity development, to reach some kind of common understanding on what it involves and on what external partners can do to assist, and to encourage learning and synergy.

In this regard, the attention that is now being given to human resources development and institutional development, within the context of HSP 2 is promising, as it offers an opportunity for the Ministry of Health and development partners to engage in a dialogue on capacity development, to agree on a common framework of action and to monitor progress and draw lessons of experience over time.

Box 34: The Potential Value of a Sector-Level CD Strategy

- **Theory meets practice.** The sector level seems to be an appropriate level at which to bring together conceptual ideas from the top with operational realities and dilemmas that emerge from the bottom.
- **Encouraging a country-owned agenda.** The sector level offers the opportunity for CD strategies to become an integral part of a sector development strategy. It can help country partners take ownership of capacity development, no longer treated as something separate that donors do to help, but something that is an integral part of the sector development process for which local stakeholders need to take charge.
- **Helping to harmonise and align external support.** It provides a potential framework around which the role of development partners in supporting a country-led CD strategy can be discussed in more concrete terms both in relation to "what" and "how" questions, and especially in relation to the possible contribution of TC.
- **Promoting dialogue and learning.** The process of preparing a CD strategy is as important as the product that emerges. This is because it encourages stakeholders to engage in discussion about capacity issues and in the process to confront sometimes divergent notions and views on what is important. It can help generate a common language that makes the shift away from sometimes symbolic reference to CD.

Work is already underway within the Ministry to develop a comprehensive proposal for institutional development[88]. Draft documents prepared for the Ministry raise important questions about the direction of change, discuss strategic choices regarding human resources and organisational development and offer some scenarios for managing the change process. They also set the sector's institutional development agenda within the wider context of public administration reform including the issue of pay and performance, public financial management reform and the impending decentralisation and deconcentration reforms[89].

Developing a strategy for capacity development that features as an integral part of the wider health strategic plan will be an important achievement. It should help ensure that capacity development is treated as a key strategic issue, intrinsic to the achievement of health sector objectives, that can be discussed and reviewed at high level meetings (e.g.: at TWG meetings and at the JAPR), rather than solely as a technical detail. It could also be a place where some common principles on the role of TC in developing capacity can be discussed.

A "road map" for capacity development at the sector-wide level is equally important for guiding actions at the sub-sector levels, where departmental heads, directors of centres or

[88] OPM, 2008. *Organisational Development Priorities in the Cambodian Health Sector*, Draft report.

[89] In view of some remaining uncertainties regarding the pace and extent of these reform processes, it is important that any plan for institutional development in the health sector retains a degree of flexibility so as to be able to adjust as need be to possible policy changes or shifting of priorities.

programme managers will need to be able to develop and steer their own capacity development processes. Thinking more strategically about the factors that promote and inhibit organisational growth and performance, recognising that capacity development involves much more than training alone, and knowing how to make effective use of technical cooperation as an instrument for capacity development are important here. Having a clearer understanding of such issues should mean that managers are better placed to analyse their capacity challenges and to identify the kind of change strategies required. Ultimately, it should be able to help translate higher order objectives for capacity development into operational actions that can be reflected within the three year rolling plans and annual operational plans.

4.2.2. MANAGING DIVERSITY – HARNESSING INNOVATION AND BOTTOM-UP APPROACHES

While a sector level CD strategy can help to harmonise and align external support behind a common country led agenda, it should also leave space for innovation and experimentation. This is especially the case in complex systems where uniform and planned approaches are not always able to address and anticipate needs[90].

The health sector has already many examples of pilot initiatives and experiments at the field level that have contributed to organisational learning and to influencing change. As earlier chapters have demonstrated, the capacity challenges of the sector are multiple and in many areas development partners have had a considerable impact on strengthening human skills and organisational capabilities, and of developing new systems at project, programme and departmental levels.

The value of a CD plan should be to help manage diversity and to ensure that organisational learning takes place. Currently, many innovative practices are not sufficiently known to others. Many of the potential synergies or opportunities for complementarity arising from different "experiments" have sometimes been under-exploited. This has also resulted in criticisms of there being too many disconnected pilot activities that add insufficient value to one another.

[90] The advantages and disadvantages of using formal strategies to promote capacity development is briefly discussed in the first report under section 5.3.2. Readers wishing to find out more about different approaches to capacity development may wish to refer to section 6.4. of Baser, H & Morgan, P (2008) *Capacity, Change and Performance – Study report*. ECDPM.

Box 35: Capacity Development through Learning and Innovation

Various partners (HSSP, BTC, GTZ, GAVI) have been working with the Ministry to test out ways to improve service delivery at the operational district level. The main idea has been to stimulate performance improvement at the point of service delivery through mechanisms that link performance to pay, as well as to the provision of capacity development support. Experimenting with different modalities including the contracting out of management responsibilities to third party organisations, as well as the use of different approaches to strengthening management capacities, lessons have been drawn on the many challenges involved. A recent comprehensive review of these experiences, financed by AFD, has helped the Ministry take a policy decision on a future course of action. While the envisaged pooled fund partners are expected to support the financing of service delivery grants linked to the implementation of a new round of contracting, other agencies may be in a strong position to provide technical assistance to support the roll-out of the system across different provinces and operational districts.

Some parts of the Ministry have moreover demonstrated an ability to set in train an organisational development process. The successes of NCHADS and CENAT underscore the importance of strong leadership at the sub-sector level in setting a course of change and making effective use of external support. This does not necessarily mean that there is a formal strategy of change in place but that there is strategic reflection and action at work.

The challenge for the Ministry of Health and its development partners is really to set a clear course but at the same time to manage diversity, by creating space for innovation and experimentation. In this way, the many contributions of development partners undertaken across different parts of the sector can contribute constructively to the greater whole. There are several examples (see box below) where lessons from the field are being fed into a policy process and helping to develop system-wide rules, procedures and mechanisms.

Box 36: Feeding the Policy Process from the Field

The Health sector offers various examples whereby experiences from the field can be fed into national level policy processes:

- The work of development partners including GTZ, BTC, HSSP, USAID and UNICEF on Health Equity Fund, social health insurance and the contracting of service delivery offers a repository of knowledge and experience that is now being used to develop national systems.
- The support provided by another group of development partners to tackle issues related to pay and performance is also helping to develop a shared understanding of the problem and to develop a common approach. MBPI, PBSI within the HIV/AIDS sector and performance-based pay linked to service delivery at the operational district level offer important insights into the relationship between capacity development, incentives and motivation, and performance improvement. As emphasised in the evaluation of the PBSI, the experiences gained need to be inserted into a learning process that can ultimately inform policy decisions.

4.2.3. IMPROVING THE EFFECTIVENESS OF TA PERSONNEL

While there is little doubt of the need to improve the planning and coordination of technical cooperation support, and to deepen harmonisation and alignment with a view to promoting government ownership, many respondents argued that the effectiveness of TC interventions is shaped by the quality of engagement between TA personnel and local counterparts. In this regard, the following issues were raised[91].

Balancing Hard and Soft Skills - While agreeing that TA personnel are recruited primarily for the technical expertise they offer, respondents argued that the effectiveness of TA personnel in the workplace depends as much on what may be described as soft skills or process skills. In this regard, respondents recognised that still too often, TA personnel are not well equipped to impart their knowledge within the environment they are working in and to engage in a constructive way with local staff. Some of the soft skills that respondents identified as being important include:

- Being a good listener
- Being a good communicator and facilitator / mentor
- Being sensitive to cultural norms and values in the workplace and in society more generally

The challenge of balancing hard and soft skills is not a new issue and certainly not one specific to the health sector, or indeed Cambodia. Various development partners have long recognised the need to balance skill sets and today are taking steps to better ensure that the right kind of "experts" are sent to the field. For instance JICA recognised already some ten years ago that the profile of the TA personnel they were sending was sometimes not suitable with emphasis placed on implantation of knowledge rather than on the facilitation of learning, both individual and organisational. Today, much greater attention is given to ensuring that TA personnel have appropriate communication and management skills. Similarly, AFD has recognised that the success of interventions depends tremendously on the quality of relationships that are built between TA personnel and the counterpart organisation. To help identify suitable personnel, it is now a requirement that TORs are accompanied with contextual information describing the organisational environment, including political and cultural factors, within which the TA will have to work. GTZ has also developed a management tool box ("Capacity WORKS") which aims at improving soft and process skills and is piloting its application in different TA-related activities.

[91] This discussion considers the relationship between TA personnel and their counterparts in general and does not distinguish between TA personnel who are part of a larger technical cooperation intervention and those that might be provided on an individual basis. See the working definition of TA personnel provided in section 1.3.

Use of National TA Personnel - The increasing use of national TA personnel, as is common in the health sector, can go some way to overcome the inter-cultural and communication concerns mentioned above, including that of language, and their deployment can be particularly helpful at the sub-national levels where communication is predominantly in Khmer.

Several agencies such as BTC and GTZ, and international NGOs such as Care routinely work with teams combining international, regional and national TA. Yet, being a national TA does not automatically mean knowing how to approach the task of capacity development and of facilitating change. One international organisation for instance acknowledged the real difficulties in orienting national TA personnel away from a "doing" role towards performing a facilitating function.

Clarifying Roles and Responsibilities – A key issue that can have consequences for the relationship between TA personnel and counterparts is how the roles and responsibilities of TA personnel have been defined in the first place. In the absence of clearly defined Terms of Reference, and related to this appropriate performance indicators, (linked in the case of wider TC projects to an implementation strategy) confusion over the precise role that TA personnel is expected to perform can result, causing dissatisfaction on all sides. Crucial here is that there is a shared understanding of that role among; the development partner who is funding the TA, the counterpart organisation that is receiving the TA and the TA his/herself who has to perform the function.

It is equally important to clarify the roles and responsibilities of counterparts. The well-known difficulties of assigning appropriate counterpart staff to work with TA personnel were mentioned on various occasions. Typically, a highly experienced expert is assigned a very junior counterpart, causing difficulties with respect to relationship building and absorptive capacity. That said, it is often the younger, more educated and enthusiastic staff members who recognise the opportunities for learning from international experts.

Short or Long-Term TA Personnel - Discussions also focused on the appropriateness of fielding long-term residential TA personnel. A large number of respondents on the Cambodian side questioned the need for such long-term personnel in today's circumstances arguing that sufficient capacity was now in place, especially at senior levels. It was felt that the real value of TA personnel was in providing short term technical inputs to address particular problems. Yet, other respondents recognised the continuing need for long term inputs, especially where there was need to accompany complex change processes, such as those related to decentralisation and the introduction of new service delivery performance contracts.

A principal concern about long term residential TA is that the counterpart organisation becomes dependent on the TA personnel who risks to play a substitution role rather than a facilitating role. An approach that can help avoid this trap is to arrange for intermittent or serial TA personnel inputs over the long term. The advantage here is that while enabling the

TA and counterpart to develop a relationship of trust and understanding over time, the respective responsibilities of the two sides are clearly defined around sequential and time-bound actions.

JICA's work with CENAT and NMCHC over the years illustrates changing patterns of TA personnel deployment reflecting changing patterns of need. As the support[92] has evolved through various phases associated with increased organisational capacity and confidence, the use of long-term TA personnel has reduced significantly. More emphasis is now placed on the intermittent deployment of experts to provide specific inputs and then to monitor from a distance. Even when away, modern IT technology enables experts to keep in touch on an "as needs" basis by email and voice-over IT mechanisms.

Managing TA Personnel - An equally important factor that can shape the quality of relationships and the effectiveness of TC is the extent to which the host organisation pro-actively "manages" TA personnel. It was clear from interviews that in various parts of the Ministry, senior staff, particularly at director level, have a real sense of organisational leadership and understand the importance of managing personnel. In these cases, they recognise the potential value of external expertise and are able to harness their presence towards addressing wider organisational objectives.

These insights suggest that the effectiveness of TA personnel and TC more generally is contingent on the quality of management and leadership of counterpart organisations. Those that already have a clearer sense of purpose and that have staff that are sufficiently motivated are more likely to make effective use of external resources and to share responsibility for results.

Another related observation was that Cambodian staff is today generally more demanding of TA personnel. Whereas in the past, TA expertise was generally unquestioned, today, with higher levels of education, growing practical experience and familiarity with the English language, there is greater confidence among local staff to engage TA personnel, and as need be to question and challenge the advice being provided. These developments should indeed contribute to more productive engagement enabling a shift from the dependency syndrome that characterised relationships in the past.

The above observations point to a number of conclusions:

- The importance of understanding the local organisational context and of developing an appropriate and customised intervention strategy
- The need for flexibility and adaptation to take account of changing circumstances and needs

[92] The support consists of on the job learning for capacity development conducted by the Japanese TA personnel in combination with equipment provision and training in Japan and/or the third countries.

- The need for the design of interventions to be the product of a collective effort based upon a shared understanding of the situation and a clear identification of roles and responsibilities
- The need to properly prepare TA personnel for their assignment and as necessary to develop relevant skills needed for capacity development work
- The need for host organisations to take charge of the preparation of Terms of Reference for TA personnel, to be actively involved in the selection process and to be fully involved in the supervision of TA personnel.

4.2.4. THE RELATIONSHIP BETWEEN CAPACITY DEVELOPMENT, INCENTIVES AND PERFORMANCE

Most observers would acknowledge that one of the biggest challenges to the sustainability of capacity development in Cambodia and to translating capacity gains into more effective individual and organisational performance revolves around issues of staff motivation and retention. While it is well known that a variety of financial and non-financial factors can impact on staff motivation and retention, the issue of low pay has been singled out as a pervasive problem in Cambodia cutting across the entire public service. The first report commented on the centrality of this issue, and attention has already been drawn to this issue in earlier chapters.

Many persons interviewed during the first study where at pains to distinguish between the capacity of the Cambodian public sector, and the capacity of the Cambodian people. The point being made was that there are now many capable Cambodians, the challenge is to create conditions to attract and retain them within the public service.

The efforts currently being taken by the Cambodian Government and development partners, including within the health sector to work towards a long term solution to the problem of pay is therefore encouraging. Specifically, proposals to put in place a common merit-based salary supplementation scheme that replaces the hitherto fragmented approach to salary supplementations, and that is aligned behind a longer term pay and compensation reform process is an important development.

From the perspective of this study, these developments are significant from several perspectives. It illustrates the fact that any discussion about how to develop sustainable capacity has to take account of motivation and incentive issues. This necessarily means broadening the discussion of capacity development from purely technical dimensions to broader human resources management issues that may require engaging in more politically sensitive discussions. It also means recognising that CD issues at a sector level cannot be de-linked from wider systemic issues that may need to be tackled beyond the immediate sector. It also illustrates the absolute importance for development partners to work collaboratively and behind a government-led strategy towards resolving such motivation and pay issues, thereby avoiding the distortionary effects of separate and project-specific incentive schemes.

5. CONCLUDING REMARKS

This assignment set the ambitious task of understanding the contribution that technical cooperation has made to the development of capacity in the health sector of Cambodia.

This has proven to be an enormous challenge due to the complexity of developing capacity within the health sector and the multiplicity of initiatives that have been carried out with the support of technical cooperation.

In the time available, and based on the various insights of persons interviewed, it has been possible to begin to understand the complex relationship between technical cooperation and capacity development, including of factors that shape effectiveness. But the study has barely scratched the surface. While a number of cross-cutting issues have been identified, the study falls short in extracting more thorough lessons of experience. This would require a more dedicated investment of time and effort.

The study used as its frame of reference the analysis conducted during the first study, which readers of this report are encouraged to consult. Many of the underlying issues relating to the aid relationship between development partners and Cambodian stakeholders that were raised in that report and that shape patterns of behaviour and practice have been found to be equally relevant to the health sector. However, this report has not dwelt on those issues in detail, although they do need to be kept in mind.

As a compendium to the first report, this review of TC experiences in the health sector provides illustrations and examples of the contribution, both positive and negative that TC can make to the development of capacity. The report also confirms the relevance of the recommendations for improved practice proposed in the first report and provides examples of how the Ministry of Health, the NGO community and development partners are actively taking steps to improve TC effectiveness.

Chapter 2 examined the enormous challenges involved in developing capacity in the health sector. Not surprisingly it concluded that despite significant progress - growing leadership, confidence, emerging core capabilities and systems - capacity development will remain a permanent challenge as the health system evolves towards ever increasing levels of performance.

Chapter 3 attempted to "unpack" the TC "landscape" emphasising its heterogeneity and trying to distinguish the different ways in which TC has engaged in capacity development work. Some of the collective contributions that TC has made towards developing health sector capacity were identified at an aggregate level, suggesting a certain degree of complementarity of action. Equally, some of the practices associated with technical cooperation delivery that have had the effect of undermining capacity were also highlighted.

Chapter 4 considered factors that are likely to influence the future effectiveness of TC. It concludes that there are good prospects for more effective engagement for capacity

development. On the one hand, the conditions for stronger government leadership and management of technical cooperation are beginning to fall into place, as part and parcel of the larger Government – development partner agenda to implement the harmonisation, alignment and results agenda. This is a mutual responsibility requiring actions on the part of both the Ministry of health and its development partners to review practices and modify behaviours.

On the other hand, there is clear evidence of learning and innovation taking place in the area of capacity development. While challenges remain in terms of clarifying how capacity development is conceptualised and understood among stakeholders, and how technical cooperation programmes can best support local processes, there is a real opportunity for stakeholders to jointly develop a strategic framework for capacity development at sector level, that provides direction but also space for innovation and experimentation.

It is hoped that this first exploration of TC for CD in the health sector provides insights that can reinforce the findings and recommendations presented in the first report. It is also hoped that the report stimulates sufficient interest among stakeholders involved in capacity development in the health sector to further investigate the factors that can promote as well as inhibit effective engagement for capacity development.

ANNEX 1: TERMS OF REFERENCE

A CASE STUDY ON THE PROVISION, MANAGEMENT AND IMPACT OF TECHNICAL COOPERATION ON CAPACITY DEVELOPMENT IN THE HEALTH SECTOR OF CAMBODIA[93]

TERMS OF REFERENCE

MARCH 2008

I. Background

1. The development of national capacity and the strengthening of national systems are major components of the Government's Rectangular Strategy. They are also fundamental to the successful delivery of the targets on the National Strategic Development Plan (NSDP) and Government's associated core reform programmes. In this context, development assistance that is provided in the form of technical cooperation is intended to make a direct and significant contribution to the development of national capacity and to the delivery of the NSDP objectives. Technical cooperation is therefore a critical component of the development assistance that is provided to Cambodia.[94]

2. Recent studies undertaken globally as well as in some partner countries have shown that technical cooperation has not had the impact that is intended, or, at the very least, has not provided sufficient evidence of results when measured in terms of sustainable capacity development. In Cambodia, recent evidence has highlighted the extent of the challenge that exists with respect to: (i) making technical cooperation demand-driven and effective; and (ii) establishing systems to ensure that effectiveness is measured and monitored.

3. Three considerations in particular have combined to result in a decision by Government, in concurrence with its development partners, to undertake a study that will consider the provision, management and impact of technical cooperation.

    a) A Government-Donor study in 2004 found that approximately half of all ODA was spent on technical cooperation (12.7% for international staff, 11.8% for training, 8.2% for operations/equipment, 8.1% for national staff, and 2.5% for monetary incentives). The two main findings of the study, first that evaluation is severely constrained by data quality and, second, that little of a qualitative nature can be said with certainty about the use, management arrangements or impact of technical cooperation, remain highly relevant.

    b) In November 2006, a meeting of development partners revealed that different views were held regarding the provision, mandate and management of technical

[93] These terms of reference are revised and formulated based on a national study conducted in November 2007, "A Study on the Provision and Management of Technical Cooperation and its Impact on Capacity Development in Cambodia".

[94] See Section Two for a definition of technical cooperation that will be used for the purpose of this exercise.

cooperation. CDC, as the Government aid coordination focal point was requested to undertake a study and at the June 2007 Cambodia Development Cooperation Forum (CDCF) meeting a joint development partner statement observed that, "we welcome the planned government review of technical cooperation and commit to engaging fully in this process".

c) Prior to commissioning a more detailed review, preliminary analysis was undertaken for the 2007 Cambodia Aid Effectiveness Report. The findings of the 2004 study were broadly confirmed as the Aid Effectiveness Report found that, although data quality remains a concern, approximately 50% of ODA (i.e. equivalent to USD 275 million) is dedicated to technical cooperation, as compared to an average of 20% across all Least Developed Countries (LDCs). Complementary qualitative reporting from the Technical Working Groups (TWGs) also suggested that the introduction of sector programmes has indicated some duplication and overlap in the provision of technical cooperation in some sectors. Associated ambiguity and uncertainty in management arrangements and reporting lines had, in some cases, been the source of the increased tension reported by development partners in November 2006.

4. In the context of its broader aid management policy, which advocates closer partnerships and more programmatic forms of aid based on NSDP priorities, the Government commissioned an independent study on the provision and management of technical cooperation and its impact on capacity development in Cambodia in November 2007.

5. Based on the recommendations described in the independent study, and as part of an on-going global exercise to improve the capacity development impact of TC, a case study has been identified as a required next step.[95] This case study is intended to facilitate a partnership-based process that develops an enhanced common understanding of TC design, provision, management and impact at the sector level that, in the context of increased use of programme-based approaches, will result in technical cooperation support making a greater contribution to the development of national capacity.

6. This terms of reference therefore sets out an approach for the retainment of one international expert, working under the supervision of the Ministry of Health (MoH) and cooperating closely with government institutions and development partners, to undertake a case study that will provide: (i) a deepened understanding on the provision and management of TC, and its impact on developing institutional capacity of health sector, which then (ii) will provide inputs that are necessary to facilitate the formation of a Government policy guideline on the provision, management and monitoring of technical cooperation for development results.

II. Definitions

7. For the purposes of this exercise, and consistent with OECD/DAC terminology, technical cooperation is defined as follows:

[95] See http://www.jica.go.jp/cdstudy/index.html for details of this global study in which Cambodia participates.

"The provision of know-how in the form of personnel, training, research and associated costs… covering contributions to development primarily through the medium of education and training… whose primary purpose is to augment the level of knowledge, skills, technical know-how or productive aptitudes of the population."[96]

In the case of Cambodia, technical cooperation is understood to include, but not be limited to:

a) International and national staff paid from ODA resources and engaged on either a long or short-term basis;

b) In-country or overseas training of either a long or short-term nature;

c) Operational support, the provision of equipment and other resources intended to support the implementation of projects or programmes that are designed to build and augment the capacity of Government; and

d) The provision of monetary incentives to Government staff associated with the implementation of a project or programme that is designed to build and augment the capacity of Government.

8. To ensure that a comprehensive, coherent and accurate understanding of technical cooperation provision is developed, all forms of technical cooperation will be considered in this study.[97] In particular, the study will consider the extent to which technical cooperation design and provision is premised on national demand based on a fully-developed capacity assessment/strategy and how this has informed the design and delivery of technical cooperation support as well as contributing to development results.

III. Objectives

9. The primary rationale for the use of technical cooperation in Cambodia is to contribute to capacity development.[98] Development partners have collectively noted the link between ownership and capacity development and have observed that country ownership of policies and programmes is premised on the capacity to exercise it.[99] Arrangements for providing technical cooperation must therefore be increasingly associated with enhancing Government's ability to develop the capacity to exercise effective ownership over its development programme. Built on general understanding that has come out of the independent study, conducted in November 2007, on the provision and management of technical cooperation and its impact on capacity development in Cambodia, this case study will seek to understand the

[96] See OECD/DAC Statistical Reporting Directives (2007), paras 40-44.

[97] The provision of monetary incentives should be considered only as context as separate review processes are taking place with regard to pay reform and the use of incentive and performance schemes.

[98] For the purposes of this study, capacity development is to be defined in the context of the 2006 OECD/DAC Reference Document, "The Challenge of Capacity Development: Working Towards Good Practice" (page 12).

[99] See OECD/DAC (2006), 'The Challenge of Capacity Development', para 11

provision of TC illustrated by the current processes and arrangements that have been in place in the health sector.

Objective 1: Improved understanding of current and emerging practices/mechanisms related to needs identification, provision, management and monitoring of technical cooperation

This will include a reflection on all stages from needs identification to monitoring through to evaluation of technical cooperation, and its contribution to capacity development.

10. In the context of the Paris Declaration and the establishment of national aid management initiatives, Cambodia is moving towards new forms of support that are informed by the development of sector development plans and a more partnership-based approach to supporting sector programmes. In the context of these new aid modalities (such as budget support) and new approaches to partnership, including through budget support, it is reasonable to suppose that approaches to technical cooperation must also be tailored and adapted so that they are compatible with these new modalities. By exploring both positive and negative contributory factors, a consensus may be established on how to design and manage technical cooperation in a coherent, rational and cost-effective manner in accordance with a sector strategy that includes an assessment of capacity needs.

Objective 2: Evaluation of the capacity development impact of technical cooperation practices/mechanisms

Built on lessons learned, from the health sector, on the effectiveness of TC contribution to institutional and human capacity development (including the effectiveness of PIU), to explore emerging practices at sector level that are informed by programme-based approaches and to provide guidance – and examples of good practices and the subsequent results - on how technical cooperation activities may be designed, delivered and managed effectively in a manner that supports capacity development.[100]

11. Concern related to the use of technical cooperation resources has been a longstanding concern of both Government and its development partners. Based on the findings of the 2007 Aid Effectiveness Report and discussion at the June 2007 CDCF meeting, it is necessary to develop a common understanding on matters related to the use of technical cooperation as a basis for developing policy guidance on the future use and management of technical cooperation resources.

Objective 3: Recommendations on technical cooperation needs identification, provision, management and monitoring

Based on the findings of the study, make specific recommendations for establishing a sector-wide process for identifying technical cooperation needs and for managing all aspects of technical cooperation provision, management and monitoring.

[100] A "sector" is, in this instance, intended to mean a well-defined body or programme of work related to the functions and responsibilities of a ministry, or a group of ministries, supporting the implementation of a sector strategy or reform programme.

IV. Scope of Work

12. The consultant is required to conduct a case study in consideration with the Global Study on TC framework special focusing to the complementarity of TC with various forms of supporting in achieving expected results, as well as detailed descriptions indicated Annex.

13. Informed by the objectives described above, the consultant is required to prepare a case study that builds on and take forward what is already known about technical cooperation in Cambodia, in particular the recently-completed independent study.[101] The consultant is also required to make recommendations that can be used as inputs to a Government Guideline that is based on the following considerations:

    a) *Information Management* - taking into account the utility of collecting and analysing data, describe the impediments to more complete and accurate development partner reporting of technical cooperation.[102]

    b) *Design of Technical Cooperation Support Programmes* - consider the nature of the preparatory process that precedes the delivery of technical cooperation support. In particular, the study should assess the extent to which Government leads or manages the production of a coherent 'sector-wide' approach to capacity development that then informs the design of technical cooperation programmes.

    c) *Provision of Technical Cooperation* - informed by interviews and existing data, summarise and assess current practices before proposing measures that would strengthen procedures for identifying technical cooperation needs and for increasing Government participation in the needs assessment and design and development of technical cooperation programmes (including the recruitment and procurement of technical cooperation goods and services). Technical cooperation provided in the context of a Project/Programme Implementation Unit (PIU) should be included in this analysis, together with some reflection on the appropriate mix of technical cooperation activities. A reflection on experience in the use of South-South cooperation is particularly encouraged.

    d) *Management of Technical Cooperation* - based on interviews with Government and development partners, describe the range of management practices that currently exist between the MoH and development partners. Identify both desirable and less desirable practices, consider the basic components of a technical cooperation package in the current partnership-based aid environment (including the 'soft skills' that effective technical cooperation may require), provide recommendations on how good practices might be replicated, under what conditions they might be transferable and under what conditions nationally-led management might lead to more effective use

[101] See the list of attached references and readings to gauge what is already understood about technical cooperation in Cambodia as well as further afield.

[102] Reporting is intended to be undertaken accordance with the questionnaire used to prepare the Aid Effectiveness Report (see AER, Annex Three, questions 20 and 23)

of technical cooperation resources. A particular focus should be placed on the SWiM and the management of technical cooperation in the Health Sector programme, including on the use and experience of using coordinated or pooled technical approaches. A discussion of the range of reporting and line management arrangements, i.e. to whom they are accountable, would also be welcomed, especially with regard to the manner in which this affects ownership and implementation.

e) *Monitoring the Performance and Impact of Technical Cooperation* - based on interviews with Government and development partners, describe the range of monitoring arrangements that currently exist. Identify both desirable and less desirable practices, provide recommendations on how good practices might be replicated, under what conditions they might be transferable and under what conditions nationally-led monitoring arrangements might lead to more immediate impact and to more sustainable capacity. When considering impact, the consultants are to comment on issues related to both short and long-term monitoring as well as to sustainability and the relationship between health sector work and the Government's core reform programmes, in particular the PFMRP and PAR. Examples of where technical cooperation support has played a strategic, but more difficult to monitor, facilitating and bridge-building role should also be considered. Evidence emerging from Government and development partner evaluations that have been undertaken should also be reflected, together with an indication of how these evaluations have been used to inform policy and practice.

f) *Identifying Good Practices and Those That Require Reform* - the Aid Effectiveness Report demonstrates that the development partnership in Cambodia is robust enough to withstand direct but objective observations regarding good and bad practices, whether they be on the part of Government or development partners. The consultant is therefore encouraged, where appropriate, to make use of local examples that address the use of technical cooperation in programme-based approaches, the use of PIUs and reporting arrangements.

g) *Maximising the Benefits of an Independent Exercise* - it is emphasised that the consultant is asked to provide inputs to a Government Guideline that will be taken forward in dialogue with development partners, not to draft the Guideline itself. The consultant is therefore mandated by Government to make full use of the independence in undertaking this exercise so that the consultant may bring to bear all of their global expertise and experience. These principles should inform the production of a set of recommendations that objectively describe the current environment in Cambodia and the full range of steps that might be taken to maximize the capacity development impact of technical cooperation.

V. Methodology

14. Based on consultations with the MoH, and in dialogue with the sector development partners, following study points will be identified for the study:

    a) One strategy can be selected for the study out of five strategies such as Health System Governance;

b) Different modalities can be selected such as one multi donor funded project and one/two bilateral donor projects; and

c) Geographic Balance should be considered such as Phnom Penh and one/two provinces, in consideration with time constraint.

15. The consultant is expected to make use of contextual material including desk reviews and evaluations provided by Government as well as based on the own research, and is required to identify the source of any data or other assertion made in the report. Government institutions and development partners are encouraged to provide documents to the consultant (via the P+H TWG and the Health TWG to ensure efficient document management). These may include evaluations or studies specific to the provision of technical cooperation in Cambodia. Global references are not required as it is assumed that the consultant already have access to the material.

16. During the mission in Cambodia, the consultant, together with the CRDB/CDC, in collaboration with MoH, will hold a broad range of preliminary interviews with Government institutions and its development partners of the health sector (both individually and through the TWG structure).

17. The main source of information for the study is to be:

a) The views of Government officials and development partners, nuanced appropriately by the consultant in the final report;

b) Based on dialogue at the inception stage, a more detailed consideration of technical cooperation mechanisms and their impact in identified sectors and thematic areas;

c) A review of policy documents, Government and development partner reports; and

d) International studies and reports.

Interviews with personnel – both Government and development partners – who are directly involved in technical cooperation programmes, the implementation of programme-based approaches and the management of core reform programmes in the health sector are particularly encouraged, as is the use of the TWG structure. The MoH, in collaboration with development partners, are requested to provide names and contact details of proposed interviewees to CRDB/CDC, together with all relevant documentation (case studies, evaluations etc).

18. As noted in the scope of work, the consultant is to submit the final report based on his/her own views, incorporating those comments that the consultant deems relevant. While applying global experience the consultant is required to ensure relevance to the Cambodia case to provide inputs and recommendations that will enable the national dialogue on technical cooperation to move forward.

VI. Outputs

19. The following outputs, which are to be guided by the Objectives and Scope of Work identified above, are required:

- An inception briefing to ensure that the work is relevant to MoH needs.
- Present and discuss the key findings of the case study at a debriefing meeting of Government and development partners.
- Submission of a draft report based on the key findings of the mission.
- Submission of a final report based on comments received from Government and development partners (fifteen days after receiving comments from RGC and DPs).[103]

VII. Management Arrangements

20. The study will be implemented over a twenty-seven-day period (fifteen days for the consultant spent in Cambodia), commencing 5th March 2008 by one independent consultant.

21. This exercise, and the report that will be produced, have been commissioned by CRDB/CDC (in consultation with the Partnership and Harmonisation TWG) and the MoH with reference to the Joint Study on Effective Technical Cooperation for Capacity Development.[104] On behalf of Government, CRDB/CDC will lead the exercise and will be responsible for its overall management. The consultant will be managed by, and will report directly to the Secretary General, CRDB/CDC, in consultation with MoH.

22. At least two CRDB/CDC staff will be assigned full-time to work with the international consultant for the period of the case study. To ensure some sustainability in the exercise the consultant is required to maximize all 'learning by doing' opportunities associated with this exercise and to provide briefings to CRDB/CDC as requested.

VIII. References

Key Cambodia Readings

Scaling Up for Better Health in Cambodia, April 2007, WHO

Health Sector Review, August 2007, HLSP

Health Strategic Plan 2008-2015 - Accountability, Efficiency, Quality, Equity, December 2007, Ministry of Health

Contracting review

SWiM Review

IHP Stock-taking Report

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[103] The Report, if appropriate, will be used as an input to develop a technical cooperation guideline.

[104] The purpose of the joint study is to help move forward the current discussions and efforts for more effective technical cooperation for capacity development, by providing empirical evidence on how to make better use of technical cooperation as a part of the overall drive towards country-led capacity development. The study, which responses to the RGC primary interest also, aims at providing inputs in the policy-level discussions at the Third High-Level Forum on Aid Effectiveness in Accra in September 2008.

HSSP1-related documents (such as Aide Memoire)

Technical Cooperation for Capacity Development in Cambodia: Making the System Work Better, January 2008, Tony Land and Peter Morgan

Cambodia Aid Effectiveness Report, 2007, CRDB/CDC

Capacity Building Practices of Cambodia's Development Partners, 2004, CRDB/CDC

Evaluation of the Technical Assistance Provided by the International Monetary Fund, Volume II, Technical Assistance in Cambodia (especially section III), 2005

http://www.imf.org/external/np/ieo/2005/ta/eng/pdf/013105c.pdf

Guideline on the Role and Functioning of the TWGs, 2007, CRDB/CDC

Joint Government-Donor Strategy for Phasing Out Salary Supplementation Practices in Cambodia, January 2006, TWG-PAR

National Operational Guidelines, 2006, CRDB/CDC

National Strategic Development Plan (NSDP), 2006-2010, Government of Cambodia

Strategic Framework for Development Cooperation Management, 2006, CRDB/CDC

Technical Assistance and Capacity Development in an Aid Dependent Economy: The Experience of Cambodia, Godfrey et al, 2002, World Development Vol 30

The GDCC and TWGs: A Review, 2006, CRDB/CDC

The Implementation of a Merit Based Pay Supplement Incentive, Sub-Decree 98 of 2005, Government of Cambodia

Other Readings

A vision for the future of Technical Assistance in the International Development System, 2003, Oxford Policy Management

Between Naivety and Cynicism: A Pragmatic Approach to Donor Support for Public-Sector Capacity Development, 2004, Ministry of Foreign Affairs, Denmark

Building Coherence Between Sector Reforms and Decentralisation: Do SWAPs Provide the Missing Link? 2003, Tony Land and Volker Hauck, ECDPM Discussion Paper.

Capacity for Development: New Solutions to Old Problems, 2002, UNDP/Earthscan

Developing Capacity through Technical Cooperation, 2002, UNDP/Earthscan

Harmonising the Provision of Technical Assistance: Finding the Right Balance and Avoiding the New Religion, 2002, Baser, H. and P. Morgan. ECDPM Discussion Paper 36

Review of Technical Assistance in Afghanistan and Capacity Building in Afghanistan, 2007.

Scoping Study on Capacity Development for Service Delivery in Pakistan, 2007, Watson D.

Study on the Provision of Technical Assistance Personnel: What can we learn from promising experiences? 2007 (draft), ECPDM

Technical Cooperation Success and Failure: An Overview, 2001, Morgan P.

Technical Cooperation, 2002, Development Policy Journal (Special Edition)

The Challenge of Capacity Development: Working Towards Good Practice, 2006, OECD/DAC

The Management of Public Service Reform: A Comparative Study of Experiences in the Management of Programmes of Reform of the Administrative Arm of Central Government, 1998, T. Land et al (eds), ECDPM.

ANNEX 2: LIST OF PERSONS MET

Royal Government of Cambodia

Name	Designation	Institution
CDC/CRDB		
H.E. Chhieng Yanara	Secretary General	CDC/CRDB
Central MoH		
Dr. Lo Veasnakiry	Director, Planning Department	MoH
Dr. Or Vandine	Director, Department of International Cooperation	MoH
Dr. Mey Sambo	Director, Personnel Department	MoH
Ph. Keat Phoung	Director, Department of Human resources Development	MoH
Dr. Parak Pisethraingsey	Director, Preventive Medicine	MoH
Dr. Uy Vengky	Executive Administrator, HSSP	MoH
National Centres and Institutions		
Dr. Ung Sam An	Director	National Institute of Public Health
Dr. Mao Tan Eang	Director	National Centre for Tuberculosis & Leprosy Control (CENAT)
Prof. Koum Kanal	Director	National Centre for Maternal and Child Health
Dr. Lim Thaipheang	Director	National Centre for Health Promotion
Dr. Mean Chi Vun	Director	National Centre for HIV/AIDs, Dermatology & STD (NCHAD)
Takeo Province		
Mr. Phann Vann	Deputy Director	Takeo Provincial Health Dept
Mr. Prak Bunthoern	Director	Angroka Operational District
Mr. Pheng Tun	Director	Kirivong Operational District

Development Partners

Name	Designation	Institution
Multilateral Organization		
Dr. Michael O'Leary	Representative	WHO
Toomas Palu	Task Manager, HSSP	World Bank
Dr. Suomi Sakai	Resident Representative	UNICEF
Philip Courtnadge	Aid Effectiveness Advisor	UNDP (CDC/CRDB)
Bilateral Organization		
Jean-Marion Aitken	Health & Population Adviser	DFID
Dr. Nicolette Hutter	Programme Support Officer	DFID
Kate Crawford	Director, Office of Public Health	USAID
Shoko Sato	Project Formulation Advisor (Health Sector)	JICA
Dr. Chhom Rada	Dep. Programme Coordinator	GTZ SHSR-P
Dr. Dirk Horemans	Project Co-Director PBHS Projects	BTC
Luize Guimaraes Scherer Navarro	Project Officer	AFD
Eiichiro Hayashi	Aid Coordination Advisor	JICA
Mikio Masaki	Aid Coordination and Partnership Advisor	JICA (CDC/CRDB)
NGOs		
Sharon Wilkinson	Country Director	CARE
Dr. Var Chivorn	Associate Executive Director	RHAC
Dr. Sin Somuny	Executive Director	Medicam

Other Persons Met

Name	Designation	Institution
Russel Craig	Consultant	Oxford Policy Management
James Lee	Consultant	
Katarina Kovacevic	Consultant	

ANNEX 3: LIST OF MAIN SOURCES CONSULTED

Baser, H & Morgan, P (2008) *Capacity, Change and Performance – Study report*. ECDPM

Care (2005) *Ex- Post Evaluation: Community-Integrated Management of Childhood Illness Pilot Project Pursat, Cambodia*

CENAT (2006) *National Health Strategic Plan for TB Control in the Kingdom of Cambodia 2006-2010*

GTZ (2006) *Support To The Health Sector Reform Programme Cambodia Progress Review 13 – 30 March 2006*

IHP (2008) *The International Health Partnership (IHP) In Cambodia - Stock Taking Report*

Land, A & Morgan, P. (2008) *Technical Cooperation for Capacity Development in Cambodia – Making the System Work Better*.

MoH (ND) *Health Sector Strategic Plan 2003-2007: A Strategic Plan to make a difference*

MoH (2006) *Mid -Term Review Report: Health Sector Support Project*

MoH (2007) *Medium-Term Review Health Sector Strategic Plan 2003-2007: An Assessment Of Progress Under Sector-Wide Management (SWIM)*

MoH (2007) *Department of International Cooperation: Policy Framework and Operational Guidelines version 1*

MoH (2007) *Health Strategic Plan 2008-2015 - Accountability, Efficiency, Quality, Equity*

OECD/DAC (2006) *The Challenge of Capacity Development: Working Towards Good Practice*

OPM (2007) *Institutional Development Plans For The Cambodian Health Sector -Summary Report*

OPM (2008) *Organisational Development Priorities in the Cambodian Health Sector. Draft report*

Royal Government of Cambodia (2006) *Action Plan on Harmonisation Alignment and Results*

Royal Government of Cambodia, (2007) *The Cambodia Aid Effectiveness Report*

Sadiq, A et al. (2007) *Strategic Review of Contracting for health services in Cambodia* Conseil sante

Viney, S (2006) *Report On Performance-Based Salary Incentives To Government Staff Working On HIV/AIDS Programmes In Cambodia*

Wilkinson, D. (2007) *Review of the TWG-H and its Secretariat*

Cambodia Pooled Fund Plus Support to HSSP 2 Preparation Mission Feb 2008 Aide Memoire

Joint Government-Donor Strategy for Phasing Out Salary Supplementation Practices in Cambodia, January 2006, TWG-PAR

2006 Draft aide memoire- Cambodia Health Sector Support Project. Joint Mid-term Review Mission 3 to 17 October 2006

Note: In addition to the above sources, the author was provided with various unpublished documents and grey literature providing background information on particular projects and development partner country programmes.