

A Guideline on the Provision and Management of Technical Cooperation

September 2008

I. Background and objectives

Effective management of the technical cooperation resources provided by Cambodia's development partners is necessary to ensure that capacity is developed in line with national priorities. This Guideline, which is based on priorities articulated in the Rectangular Strategy and the National Strategic Development Plan, therefore introduces standards for managing technical cooperation resources allocated to Government projects. It applies to Government agencies managing technical cooperation activities and to development partners who provide these resources.

The objective of this Guideline is to support the translation of the Government's capacity development priorities into effective technical cooperation programmes by:

- Reinforcing the technical cooperation-capacity development linkage through improved management and collective actions to support capacity development.
- Establishing technical cooperation management standards that are based on: (i) Government approaches to human resource development; (ii) public administration reform; and (iii) aid effectiveness principles based on ownership and leadership of the development agenda.

This Guideline complements existing Government policy on capacity development that is outlined in the Council for Administrative Reform's policy on Human Resource Development, and the approach to aid management that is identified in the Harmonisation, Alignment and Results Action Plan.

II. Technical cooperation as an input to capacity development

The primary rationale for using technical cooperation resources is to support capacity development. Technical cooperation comprises only one of a range of inputs that are required to support the capacity development process, however, and its catalytic role is to be applied in the context of wider and longer-term Government reforms and sector capacity strategies.

Technical cooperation provision must be responsive to the external environment and the broader change context in which it operates and this necessarily requires Government leadership of a partnership-based arrangement. The role of development partners in technical cooperation provision is, therefore, to respond to Government priorities, to support organisational learning and to facilitate the sustainable application of knowledge to good practice.

Additional technical cooperation functions can be justified in certain circumstances to be identified by Government. These include supporting project preparation, advisory services, evaluation, project management and implementation support.

III. Institutional arrangements for capacity development and management of technical cooperation

At the highest policy-making level, the Council for Administrative Reform is responsible for establishing policy on capacity development that is consistent with the Rectangular Strategy and the Public Administration Reform programme. The Council for Administrative Reform's policy on Human Resource Development, and its link to improved organisational performance across the whole of the public service, provides the basis for programming all capacity development and technical cooperation activities.

Capacity development support to other Government reform programmes, including Decentralisation and Deconcentration, Public Financial Management, and Legal and Judicial Reform, will be informed by policies established by the Council for Administrative Reform. Similarly, sector-wide plans and strategies, including programme-based approaches that are developed by other Government ministries, will apply national policy guidelines to identify and programme capacity-related support.

Policy on the provision of development cooperation resources is managed by the Cambodian Rehabilitation and Development Board (CRDB) of the Council for the Development of Cambodia (CDC). Technical cooperation resources provided by development partners are therefore subject to CRDB/CDC policy guidelines, namely the Strategic Framework for Development Cooperation Management and the National Operational Guideline. These documents are consistent with the national policy framework related to supporting national development and the strengthening of national capacity.

Within the context of these institutional arrangements, responsibility for applying policy on capacity development when implementing activities funded by external development partners is delegated to the Government ministry, department or agency that is managing the resources. This includes the use of technical cooperation, which is to be managed according to procedures set out in this Guideline.

IV. Management of technical cooperation in externally-financed programmes and projects

In the context of national policies related to: (i) capacity development, namely Public Administration Reform, and Human Resource Development; and (ii) effective aid management, namely the Strategic Framework for Development Cooperation Management, all Government agencies managing externally-financed programmes and projects are directed to apply the following practices to the management of technical cooperation.

a) Guiding principles

- Technical cooperation resources must be programmed to support an internally-led capacity development process that is rooted in national development priorities and planning processes.
- Technical cooperation will be linked to a holistic and comprehensive capacity development assessment of the organisation/sector, making reference to associated Government reforms.
- Capacity development assessments will include an analysis of the operating environment so that existing capacities and changes over time are widely understood.
- Incentives and motivation that influence the capacity development process will be accommodated in a manner that is consistent with the prevailing sub-decree on merit and performance-based incentives.
- Noting that capacity development is a specialist activity, Government will encourage technical cooperation providers and practitioners to reflect on their own abilities and competencies.
- Within the parameters of this Guideline and associated Government policy documents, diversity, flexibility and innovation are considered to be key determinants of effective capacity development.

b) Needs identification and formulation of technical cooperation programmes

- Technical cooperation design and provision must be defined according to national priorities and based on a Government-led analysis of specific needs.
- Capacity assessments are the recommended modality for defining Ministry or sector-wide priorities. Where such an assessment is not in place, Government may commission such an exercise in dialogue with development partners using the Technical Working Group (TWG) mechanism.
- Capacity assessments should, inter alia, elaborate on how Government understands the specific nature of its capacity challenge and the required response of technical cooperation providers. Technical cooperation support will then be subject to rigorous programme design, appraisal, risk assessment and monitoring processes to ensure that it is consistent with the capacity assessment.
- Cross-sectoral challenges will require the formation and use of networks and cooperative alliances to identify obstacles and to develop responses. A Government lead agency, selected from amongst the concerned TWGs, will facilitate dialogue within Government ministries and between development partners.
- The sourcing of technical cooperation support will be a joint exercise under Government leadership. South-South-based approaches using resources from the region are a preferred option, implying a preference for the use of untied grant aid in financing technical cooperation activities.

c) Implementation and delivery of technical cooperation programmes

- Internationally-agreed norms require that Government systems be used for programming, budgeting, implementing and reporting on the use of all development assistance.¹ Exceptions must be elaborated in project documentation with identified time-bound steps towards the strengthening and use of national systems in the future.
- Coordinated and harmonised technical cooperation support in the context of a programme-based approach, or using a form of co-funding or pooling, is a preferred delivery modality as it provides a more effective interface between development partner support and the wider capacity development objectives of Government. Complementarity in the use of different technical cooperation modalities (e.g. advisory support, training, equipment) and between a range of broader aid modalities (e.g. projects, pooled

¹ The Accra Agenda for Action (4 September 2008), paragraph 15, refers: "Donors agree to use country systems as the first option...Should donors choose to use another option they will transparently state the rationale...Where country systems require further strengthening, developing countries will lead in defining reform programmes and priorities. Donors will support these reforms and provide capacity assistance."

funds, budget support) must therefore be managed in the context of a comprehensive sector plan and budget that programmes the use of all domestic and external resources.

- Implementation of technical cooperation programs will therefore be aligned with the objectives of counterpart ministries and departments as articulated in Annual Operational Plans, budgets, sector strategies and related capacity assessments.
- Where there is no alternative to establishing a Project Implementation Unit (or similar structure) to manage technical cooperation resources, these functions must be integrated with mainstream Government programming, implementation and monitoring functions.

d) Management arrangements for technical cooperation

- Notwithstanding the over-arching principle of Government leadership, the capacity development objective of technical cooperation requires that joint management structures be established, including to identify internally-consistent Government arrangements at project and sector level.
- Accountability for performance should therefore be to Government in the first instance. A Government-led joint review that is based on agreed monitoring criteria identified during the formulation of the programme should ensure flexibility in project management arrangements.

e) Monitoring of technical cooperation provision at sector level

- Joint management arrangements will be extended to monitoring. Monitoring objectives include building confidence in the project objective and approach, problem identification/resolution, identifying any need to re-deploy resources, and to demonstrate accountability for results.
- The basis for monitoring will be included in the project documentation agreed during project formulation. Performance criteria should be applied in the wider context of an organisation's capacity objectives and should be less occupied with the narrower outputs of the project.
- A provision for joint sector reviews, conducted on an annual basis, is made in the "Guideline on the Role and Functioning of the Technical Working Groups" (February 2007). It is recommended that these joint reviews include an evaluation of capacity-related activities at the sector level.
- Development partners must continue to record all details of their technical cooperation support in the Cambodia ODA Database. Government ministries will use this information to support dialogue at TWG level on the performance of technical cooperation and their future needs.

f) Linking technical cooperation management with approaches to aid effectiveness

The table below associates the five aid effectiveness principles included in the Harmonisation, Alignment and Results Action Plan with each stage of technical cooperation management outlined in earlier sub-sections.

| | Ownership | Alignment | Harmonisation | Managing for Results | Mutual Accountability |
|--|---|---|--|---|---|
| Needs identification & programme formulation | Explore capacity options as part of sector strategy Identify a clear role for TC and appraise all TC project proposals on the basis of sector plans (and partnership principles) | Link TC with broader capacity objectives & reforms Identify needs to build national systems G leads process of design; linked to sector capacity priorities | Identify capacity needs as basis for harmonised sector response Use TWG as 'clearing house' for TC support to sector-wide needs Assess TC sector profile & appropriate mix of modalities | Identify desired results (outputs / outcomes) at project and sector level Establish capacity indicators, M&E framework | Engage in mutual project design process (incl ToR for advisory support) Agree principal accountability to RGC process for joint review |
| Delivery & implementation | TC delivery linked to workplan and budget Apply partnership principles (if necessary) | Link sector work to core reforms Use national processes/systems | Complementary modalities to reduce fragmentation Integrate PIUs | Implement programme based on a results-based plan and sector strategy | Share information on resource use and progress |
| Management | Leadership of joint management arrangements for TC delivery | TWG primary forum for CD and TC dialogue | DPs strengthen own capacity to deliver effective TC, re-profiling based on emerging evidence | Institutionalise learning approach, support research where needed | Integrate evidence into peer review for TWG dialogue |
| Monitoring | Lead joint review of TC in context of sector capacity assessment Learn from experience, apply to policy/plan | Develop management info / dissemination systems / procedures | Assess results based on sector-wide needs, not on project deliverables | Consider establishing a CD JMI or TWG indicator. Support dissemination of good practice | Share and collate data on TC provision Jointly assess TC performance & mutual responsibility for output/outcome |

V. Implementation and monitoring arrangements for this Guideline

Effective implementation of this Guideline will require adherence to the institutional responsibilities (outlined in section III) and cooperation across the whole of Government, as well as with development partners. To implement and monitor this Guideline the following arrangements will be made:

- Delegation to the lowest possible level requires that each Ministry and agency assumes responsibility for managing and monitoring technical cooperation in their own sector.
- The TWG is the principal forum for discussing aggregate technical cooperation needs and performance, linked to broader reform programmes and a capacity strategy. Future reporting to the Government-Development Partner Coordination Committee (GDCC) will include a reflection on the Guideline's implementation.
- Where coordinated and networked responses are required to address cross-sectoral themes such as capacity development the TWG Guideline provides for "the composition of a sub-group...including meetings among core members of relevant interconnected TWGs".
- The Council for Administrative Reform and CRDB/CDC will manage respective responsibilities concerning capacity development, human resource development and aid policy. The GDCC provides a forum for further discussion of technical cooperation and capacity-related priorities.
- Based on dialogue at TWG and GDCC level, future consideration will be given to introducing a Joint Monitoring Indicator (JMI) on technical cooperation, the establishment of coherent capacity strategies, and the joint review of technical cooperation performance.

VI. Resources to support Guideline implementation

There are a number of potential funding sources offering access to technical support for Guideline implementation and monitoring:

- Government agencies should mobilise resources from their own budgets or from development partners in the TWG to support sector strategy planning and implementation, including a review of capacity development (needs and implementation) and strengthening of national systems.
- The TWG block grant that is made available by CRDB/CDC to TWG secretariats can support technical cooperation review and analysis, as well as broader capacity development work.
- Based on requests from ministries and TWGs, additional support may be provided by CRDB/CDC to facilitate analysis linked to a broader capacity assessment of the sector.
- Joint sector reviews should be established, and funded, at TWG level to include specific components related to capacity development and technical cooperation provision.

VII. Conclusion: a benchmark for the future

The effective management of technical cooperation resources will contribute to the overall success of Government's reform programmes and the implementation of the Rectangular Strategy. The impact of new approaches to the management of technical cooperation in Cambodia will ultimately depend on the willingness of Government and development partners to implement these principles in an environment of mutual cooperation, collaborative innovation and joint learning. It is also important to establish a set of norms against which progress can be measured and future monitoring of the Guideline's implementation will therefore become an integral part of managing the development partnership in Cambodia.