Discussion Note: Institutional arrangements

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0 SUMMARY

This document considers options for institutional arrangements to implement the Tonle Sap Lowland Stabilisation Project. The ADB Technical Assistance Report for the Project indicates some anticipated features of the follow-up loan/grant project, which might be expected to commence in late 2007/early 2008. The TSLSP will be implemented within a complex institutional framework, including inter alia the RGC’s existing and evolving administrative structures, evolving policies (defined especially by the Rectangular Strategy and Decentralization and De-concentration Framework, the ADB Country Strategy and Program, arrangements for implementing complementary projects in the Tonle Sap basin, and ADB’s policies with regard to project implementation and financial management.

The national context is provided in particular by (a) the Rectangular Strategy, whose core is good governance, particularly through decentralization to local levels; (b) the Seila Program, which has established a comprehensive structure for decision making and development assistance at all levels from the village upwards; (c) the Decentralization and De-concentration Framework, which progressively will develop the existing sub-national administrative/governance arrangements. The main report reviews how the TSLSP can contribute to the RGC’s policies and goals defined in these three areas.

At the river basin level, the TSLSP will contribute to the Tonle Sap Initiative. The Tonle Sap Biosphere Reserve and institutional arrangements administered through the Cambodia National Mekong Committee provide an important context for the Project, although the Project area extends outside that within the mandate of the TSBR Committee. A Tonle Sap Basin Management Organization is to be established, but on a time scale that probably will not enable it to help in guiding the TSLSP.

The main report reviews implementation arrangements for four projects that are of particular relevance – the Tonle Sap Sustainable Livelihoods Project (about to commence), Northwest Irrigation Sector Project (under implementation but at study and feasibility study stage), Northwestern Rural Development Project (now well under way), and Agricultural Development Support to Seila (recently completed). These four projects demonstrate a diversity of arrangements to implement activities that are likely to feature in TSLSP; they principally involve MAFF, MOI, MOWRAM, MRD, who can be expected also to be engaged in TSLSP.

The activities and sub-projects to be implemented under TSLSP have not yet been specified, but can be expected to include construction of rural infrastructure (especially water management systems, roads, and other social capital assets); agriculture extension and related assistance; support for community initiatives, in particular through making resources available through commune-managed funds; community capacity building.

Taking into consideration the arrangements used/proposed for complementary projects, and the range of activities/sub-projects likely to be undertaken under TSLSP, the main report discusses and develops
tentative proposals – as a basis for further consultation – for TSLSP institutional arrangements:

Coordination at national level: that the Project Steering Committee established for the TSSL, with CARD as chair, should take responsibility also for TSLSP.

Executing Agency: that MOI be appointed as the EA for TSLSP, with the arrangements that it establishes for TSSL being extended to TSLSP in due course.

Implementing Agency: that MOWRAM be appointed as IA for all components of the Project except for the community initiatives/community livelihood fund component, for which MOI should be appointed IA.

Arrangements for management and administration: that (a) MOWRAM manage its components of the project through its existing PMU, and establish PIUs in the PDOWRAMs of target provinces; and (b) MOI manages its component of the project through the arrangements that are to be put in place for equivalent activities under TSSL.
GLOSSARY

ADB  Asian Development Bank
ADESS Agricultural Development Support to Seila
CARD Council on Agriculture and Rural Development
CC or CS Commune Council or Commune/Sangkat Council
CDC Council for the Development of Cambodia
CLFT Community Livelihood Facilitation Teams
CNMC Cambodia National Mekong Committee
D&D Decentralization and De-concentration
EA Executing Agency
FWUC Farmer Water User Community
IA Implementing Agency
IFAD International Fund for Agriculture and Development
MAFF Ministry of Agriculture, Forestry and Fisheries
MEF Ministry of Economy and Finance
MLUPC Ministry of Lands, Urban Planning and Construction
MoE Ministry of Environment
MoEd Ministry of Education
MOI Ministry of the Interior
MOL Ministry of Labour
MOWRAM Ministry of Water Resources And Meteorology
MRD Ministry of Rural Development
MWVA Ministry of Women’s and Veterans’ Affairs
NGO Non-Governmental Organization
NRDP Northwestern Rural Development Project
NWISP Northwest Irrigation Sector Project
PIU Project Implementation Unit
PMO Project Management Office
PMU Project Management Unit
PPTA Project Preparation Technical Assistance
PSC Project Steering Committee
PSU Project Support Unit
RGC Royal Government of Cambodia
RRA Rapid Rural Appraisal
RRP Report and Recommendation of the President (ADB)
RS Rectangular Strategy
TSBMO Tonle Sap Basin Management Organization
TSBR(C) Tonle Sap Biosphere Reserve (Committee)
TSBC Tonle Sap Basin Committee
TSI Tonle Sap Initiative
TSSLP Tonle Sap Sustainable Livelihoods Project
UNDP United Nations Development Program
VAHW Village Animal Health Worker
VDC Village Development Committee
VEW Village Extension Worker
1 INTRODUCTION

This document considers options for institutional arrangements to implement the Tonle Sap Lowland Stabilisation Project. As yet, the package of interventions to be included in the Project has not been defined, and it is expected that stakeholders will be consulted before specific recommendations for institutional arrangements can be made. Therefore, the document provides a starting point, by surveying the arrangements established for other Asian Development Bank (ADB) projects – in particular, the Tonle Sap Sustainable Livelihoods Project (TSSLP) – that are being implemented in the Tonle Sap basin.

The Tonle Sap Lowland Stabilisation Project (TSLSP) is an innovative project, whose nature will require innovative approaches to implementation. The TSLSP Technical Assistance Report (ADB, December 2005) points to some anticipated features of the loan/grant project:\footnote{1}

- Implementation and management of "commune-operated livelihood funds to finance selected sub-projects" (para. 13)
- "Livelihood activities developed in consultation with the inhabitants" of the project area (para. 12).
- An emphasis on "small-scale infrastructure needs, with emphasis on irrigation and related water conservation works", as well as rural water supply and transportation (para. 14 and footnote 17)
- Incorporation of supporting subcomponents and activities, such as agricultural extension, support of off-farm income generating activities, and support of agribusiness (footnote 18)
- A cross-sectoral scope, involving a variety of agencies such as MOWRAM (anticipated to be the executing agency, assuming that water-related sub-projects predominate), MAFF, MRD and MOI (para. 17).
- Use of "the same implementation arrangements and modalities as the TSSLP" (para. 11)
- A "seamless fit" with the Royal Government of Cambodia’s (RGC) Decentralization and De-concentration (D&D) Framework (para. 11)

With completion of the PPTA in March 2007, a follow-up TSLSP loan/grant project can be expected to commence in late 2007/early 2008.

The TSLSP will be implemented within a complex institutional context defined, \textit{inter alia}, by:

- The RGC’s existing and evolving administrative structures, in particular the arrangement of national and sub-national levels of government and the Seila program.
- The RGC’s evolving policies, including in particular the goals of the Rectangular Strategy and the D&D Framework.
- ADB’s Country Strategy and Program for Cambodia, 2005-9, including in particular the Tonle Sap Initiative (TSI) and establishment of a Tonle Sap Basin Management Organization

\footnote{1}{The Technical Assistance Report describes the PPTA project, rather than the anticipated loan/grant project, so inferences must be drawn.}
(TSBMO) under the Cambodia National Mekong Committee (CNMC).

- Arrangements for implementing complementary projects in the Basin, such as the Northwest Irrigation Sector Project (NWISP) and Tonle Sap Sustainable Livelihoods Project (TSSLSP).
- ADB’s policies and practices with regard to Project implementation, for example with regard to financial management.

Given the anticipated features of the project noted above, it is probable that flexible and varied arrangements for implementation will be needed. For example, rehabilitation of an entire irrigation system – even if a small one – might best be implemented using standard MOWRAM/PDOWRAM procedures (including establishing a Farmer Water user Community, FWUC), whereas repair of a single structure like a dam could be managed at village level, using the procedures established under Seila. Other projects – notably the ADESS and Northwestern Rural Development Projects – are at implementation stage or have been completed. Their analyses and experience can be drawn on by the TSLSP PPTA team as it considers arrangements for project implementation.

2 THE NATIONAL CONTEXT

The TSLSP is being designed and will be implemented during a period of rapid change in governance, public administration reform, and regional development. It is axiomatic that TSLSP should be consistent with, and if possible help to achieve, policies and goals of the RGC.

2.1 The Rectangular Strategy

The Rectangular Strategy (RS) is the RGC’s “policy platform”, now incorporated into the National Strategic Development Plan, 2006-2010. The core of the RS is good governance. It is focused on four areas of reform, of which number 3 – Public Administration Reform – is relevant to implementation of TSLSP. The provision of public services will be facilitated and simplified through (inter alia):

- Implementation of decentralization and de-concentration to the commune level
- Transfer of authority from upper to lower levels of the administration
- Clear definition of the roles and responsibilities of the various levels of the province, city, district and commune
- Recognizing that decentralization to the commune is essential to strengthening democracy at the grass roots level

The TSLSP can support these reforms and help to increase the effectiveness of service delivery by the RGC at all levels, particularly by:

- Enhancing the capacity and authority of Commune Councils and their supporting Commune Administrations, especially by providing funds, a purpose, and training/capacity building.
• Drawing on the appropriate level of the administration for particular elements of project implementation, and providing any necessary capacity building.
• Promoting collaboration among the various RGC line agencies, where their responsibilities are relevant to Project activities.
• Furthering a participatory style of decision-making that strengthens “grassroots democracy”.

2.2 The Seila Program

The Seila program commenced in 1996, and has progressively included all the provinces of Cambodia in an institutional framework for decentralized government. Seila drew together the key ministries under a central Seila Task Force with a Secretariat in the Council for Development of Cambodia (CDC). It also set up and maintained multi-institutional bodies at the regional level (the Provincial Rural Development Council, PRDC) along with the necessary management and administration systems (Executive Committee, ExCom). An entire network and process was established for planning rural development from the village level (using the Village Development Committees where these exist), to the commune and the district. The election of Commune Councils (CC) in 2002 provided a legal and democratic entity to carry out development planning and implementation, and the provincial Seila structures took on a strong supporting role for them. Seila provides 800 district and 100 provincial level facilitators to assist CCs. The Provincial Treasury provides banking facilities for the CCs and the ExCom provides the necessary monitoring and advisory support.

Seila, as a donor-funded program outside the public service “mainstream”, had a specific lifetime, and originally was to end in 2005. It has been rolled over into 2006, with the aim of giving more time to formulate the D&D reforms (Seila Task Force, January 2006).

The Seila Program will have disbursed over $200 million during its lifetime, with $45.6 million budgeted in 2006. The largest element of the Seila budget structure is the RGC’s Commune/Sangkat Fund (to which Seila is, in fact, a donor). The CS Fund is capitalized by national budget allocations and external contributions, transferred to CS accounts held in provincial treasuries, programmed by CS Councils in accordance with the CS planning and budgeting process, and administered by CS Councils to support administration and socio-economic development.

Investments at commune level in 2006 are budgeted at $22 million in total, averaging out to $9,900 per commune for development and $3,700 for administration. This provides a useful indication of the scale of TSLSP resources which communes might be expected to absorb – on the order of $10,000-$15,000 per tranche, increasing as administrative capacity grows.

3 A figure suggested also by Mr P. Van Im, (ADB CRM). The Northwestern Rural Development Project has set a limit of $20,000 per tranche for fund allocations for sub-projects to provide village-level social infrastructure.
A number of specific projects are being implemented under the Seila “umbrella”, the arrangements for which are quite varied. For example, the Community Based Rural Development Project, co-financed by Germany/GTZ, Australia/CAAEP and World Food Program, has disbursed funds for rural infrastructure and related activities (land titling, extension work, etc.) through a Rural Infrastructure Investment Fund, with an allocation of $500 per commune for operation and maintenance disbursed via local technical committees. In general, financial resources are either transferred through a special account at the MEF, through the National Treasury, through a Seila Task Force account, through a specific account held at provincial level, or are paid directly by the concerned agency. Once received in an account at provincial level, virtually all funds are administered according to contracting, financial management, accounting and reporting procedures defined in RGC/Seila manuals.

Seila procedures will have been substantially institutionalized by the time the TSLSP commences⁴. The D&D Framework may bring modifications, but it seems probable that implementation of TSLSP will largely be in the context of existing arrangements.

2.3 Decentralization and De-concentration

The D&D Framework (RGC, March 2005) envisages “major reforms of the current sub-national governance system”. A five-year national program to implement the D&D strategy is envisaged, the priorities of which (during the first three years) relate principally to establishing institutional capacity at provincial level, establishing Provincial/Municipal and District Councils, and channeling development spending and capacity building to all levels of the sub-national governance system. The Framework focuses on provincial, district and commune levels of governance, and largely ignores the village level (an important element of Seila, via Village Development Committees).

In practice, arrangements for the TSLSP will be in place before the D&D implementation program. The most important point of convergence in the early years of D&D implementation is the intention that “a substantial amount of domestic resources and external aid be channeled directly to support newly empowered sub-national units of planning and budgeting...” The concept of TSLSP as a project that empowers communes to plan and implement sub-projects is fully consistent with this intention.

⁴ The Implementation Manual for the Northwestern Rural Development Project Commune Council Fund essentially follows the equivalent Seila manual, with some simplification and changes required because of differences in funding pathways.
Figure 1. Institutional arrangements for Tonle Sap Basin Management Organization (from Milner et al, July 2005).
3 THE BASIN CONTEXT

The TSLSP contributes to the Tonle Sap Initiative. It is conceived to focus on communities outside the core zone and buffer zone of the Tonle Sap Biosphere Reserve (TSBR), in the Transition Zone (within State Highways 5 and 6) and in the lowlands beyond. Institutional arrangements for the TSBR, administered by the TSBR Secretariat within CNMC, may not have direct relevance to the TSLSP, but recent proposals for management of the entire basin are relevant.

3.1 The Tonle Sap Biosphere Reserve

The Tonle Sap Biosphere Reserve (TSBR), established by Royal Decree in 2001 as a component of UNESCO’s global network of biosphere reserves, consists of the Tonle Sap Great Lake and floodplain, extending out to Highways 5 and 6. The goals for the TSBR are, essentially, conservation of biodiversity, sustainable development, and effective management and education/training/research programs.

The Tonle Sap basin is an integral and major component of the Mekong River system, from hydrological, biological, and fishery perspectives as well as from the human point of view. Accordingly, institutional arrangements to manage the TSBR focus on the Cambodia National Mekong Committee, with a TSBR Secretariat established therein by Sub-decree. The functions defined for the Secretariat by its Sub-decree are, essentially, promoting coordination and information exchange among stakeholders, monitoring and reporting on the status of the Reserve, and developing strategy and the legal/regulatory base for sustainable management. Other agencies (principally, those which are members of the CNMC) are responsible for the actual management of the Reserve – as indeed are the people who live in and use its resources.

3.2 The Tonle Sap Basin Management Organization

The ADB is funding a “rolling” program of technical assistance to establish a Tonle Sap Basin Management Organization (TSBMO). The next phase is envisaged for 2007/8 as part C of the forthcoming ADB Water Resources Sector Project, when initial steps will be taken to establish a Tonle Sap Basin Committee (TSBC) and supporting arrangements in two sub-basins, probably in Pursat province. The proposed role of the TSBC (Milner et al., July 2005) will be to advise the RGC on policy, strategy and management of water and related land resources in the Basin; coordinate the activities of Provincial and lower level governments and line agencies related to Basin water resources and natural resources within the TSBR; and act to minimize conflict over access to or degradation of water resources in the

1 The draft TSLSP report Environmental Impact Assessment (Mitchell and Yim, October 2006) provides extensive discussion of institutional arrangements and related matters in the Tonle Sap Biosphere Reserve.
Basin, or other natural resources within the TSBR. In the longer term, operational functions such as water allocation also are envisaged.

The proposed structure of the TSBMO, to be a component of the CNMC, is complex (Figure 1). The TSBC is envisaged to work through “provincial water sector and related resource management committees” and “district task forces” (in multiple, for inter-provincial basins). The committees and task forces will consist of officials of RGC agencies, representatives of community groups, and representatives of the private sector, and interact with water users, land holders and the general community. In inter-provincial sub-basins, sub-basin committees will coordinate the provincial committees. A TSBC Secretariat will parallel the TSBR Secretariat in the CNMC Secretariat, and provincial/district level activities will be supported by secretariats in the provincial and district offices of WRAM. There also are to be appropriate linkages with the District and Provincial Rural Development Committees/ExCom, and Provincial Technical Facilitation Teams. In summary, the proposed arrangements may be regarded as world “best practice” and able to handle any circumstances.

The intended role and structure of the TSBMO are relevant to any sub-projects of TSLSP that relate to use of water and land resources in the Basin. At present, it is uncertain which sub-basins will be considered in TSBMO Phase III, but this will be known by the time TSLSP implementation commences. It is also uncertain to what extent the sub-basin structures will be functional, and therefore whether they will be able to support TSLSP (in planning, coordination, conflict resolution, etc.) if any TSLSP sub-projects are allocated to the sub-basins. However, TSLSP could, in principle, contribute to “bedding in” TSBMO arrangements, by working within them as appropriate and when value is added to TSLSP by doing so.

4 IMPLEMENTATION ARRANGEMENTS FOR RELATED PROJECTS

The Tonle Sap Initiative includes a number of projects to which TSLSP is complementary. There are limited numbers of experienced staff, at all levels and in all line agencies of the RGC, who can engage in project implementation. Therefore, it is essential that the design of TSLSP does not place further burdens on already over-burdened staff, and as far as possible does not “re-invent the wheel” of modalities for project implementation. This section reviews implementation arrangements for selected other projects in the Tonle Sap basin, to identify suitable arrangements. Three ADB-funded projects span the range of activities that may well be proposed under the TSLSP, and therefore provide models of implementation arrangements that already have been adopted by RGC and

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2 Whether this is what Cambodia requires or is able to implement at present is an open question.

3 Establishment of the TSBMO is likely to place heavy demands on human resources at all levels, especially in the selected sub-basins.

4 The Final Report of the PPTA for the Tonle Sap Sustainable Livelihoods Project (Agrisystems Ltd., May 2005) provides extensive description and analysis of implementation arrangements, notably for the flow of funds (Supplementary Appendix 2 therein), community organizations (Supplementary Appendix 5 therein), and credit (Supplementary Appendix 6 therein).
ADB. They are the Tonle Sap Sustainable Livelihoods Project, the Northwest Irrigation Sector Project, and the Northwest Rural Development Project. In addition, the IFAD/UNDP/AusAID-supported ADESS (Agricultural Development Support to Seila) project, which recently has come to an end, provides some relevant experience and lessons learned.

4.1 Tonle Sap Sustainable Livelihoods

The TSSLP includes three output areas, the first of which is of particular relevance to TSLSP (ADB, November 2005). Output area 1 is that “Community-driven development is supported”, and includes:

1. establishment of a Community Livelihood Fund, through which Commune Councils will access grant funds via individual commune funds/bank accounts (one for each of 37 communes covered by the project). Planning of funded activities will follow established procedures for Commune Development Plans; activities may relate to provision of social infrastructure, income-generating activities and support for community fisheries.

2. design and implementation of “livelihood investment packages”, with assistance in particular to village-level planning and inclusion of women and ethnic minorities. Criteria for inclusion of proposals are to be provided by the project. Support will be provided by Community Livelihood Facilitation Teams (CLFT), one in the office of the Governor of each project Province.

The implementation arrangements for the TSSLP are outlined (Figure 2, Figure 3) in the RRP for the Project (ADB, November 2005). The MOI is the Executing Agency, recognizing its key role in the D&D strategy. Its main responsibilities are setting overall project direction, resolving implementation problems, progress review and reporting, ensuring flow of funds to communes, and certain procurement. A project steering committee will be chaired by CARD, which will report project outcomes to the Council of Ministers.

The MOI is also the Executing Agency for Output 1, and for a capacity-building component of Output 3. Much of the work will be at local level: village-based proposals for activities will be passed to commune councils via the Commune Planning and Budgeting Committees; technical support for activities will be contracted to RGC agencies, NGOs or the private sector, as appropriate. The CLFTs will oversee implementation of livelihood support at commune and village level, and report to MOI thereon. Each CLFT will be headed by the chief of the provincial local administration unit of MOI, with representatives from the provincial departments of Rural Development, Environment, and Women’s Affairs, and the provincial fisheries office.

The implementation arrangements for TSSLP are “demand-driven” rather than “provider-driven” — that is, the primacy of beneficiary communities themselves is strongly encouraged, while line ministries that provide services in particular areas (agriculture, water supply, etc.,) are included at project steering committee level, through the CLFTs, or as possible contractors.
Figure 2. Organizational arrangements for TSSLP (from ADB, November 2005).
Figure 3. Arrangements for flow of funds under TSSLP (from ADB, November 2005).

COMMUNITY LIVELIHOOD FUND FLOW MECHANISM

A. Reporting and Flow of Funds

Asian Development Bank

MEF – Local Finance Department

National Bank of Cambodia First Generation Imprest A/C

National

Ministry of Interior

Second Generation Imprest A/C

Provincial

Local Administration Unit

Provincial Governor’s Office

Commune

Commune Council

Community Livelihood Fund (Commercial Bank A/C)

Village

Community Groups

Community Fisheries Activity Groups Special Interest Groups

Suppliers and Contractors

A/C = account, MEF = Ministry of Economy and Finance.
Section V, Proposed organizational options for TSSLP, of the PPTA Final Report provides a great deal more analysis and more specific suggestions (Agrisystems Ltd., May 2005).

4.2 Northwest Irrigation Sector Project

The NWISP (loan component) aims to construct 10-15 small to medium-scale irrigation systems in four northwest provinces. Construction activities are supported by comprehensive water use studies beforehand, establishment of FWUCs, and provision of agricultural support services – agricultural extension, livestock and fisheries development, market systems, rural credit etc. (BCEOM, April 2005). It might be regarded as a conventional, but best practice, project to build/rehabilitate irrigation infrastructure for agricultural production, and provide the comprehensive support needed to maximize benefits from agriculture and ensure sustainable management of the facilities.

Arrangements for project implementation are straightforward. At national level, inter-ministerial coordination and project direction are achieved through the Project Steering Committee (PSC). It originally (2002) was established for the Stung Chinit irrigation project and has been turned into a national PSC. The PSC is chaired by a representative of Ministry of Economy and Finance (MEF), with representatives of “concerned ministries” and a MOWRAM national project coordinator as secretary 1. At provincial level, Provincial Project Coordination Committees facilitate coordination and information exchange among the key agencies. Chaired by provincial deputy governors, they comprise representatives of the provincial line departments with an interest in the project.

Where necessary, and based on the results from river basin/water use studies, “water resources multi-user committees” may be established, to facilitate water resources management in sub-basins where competition for and conflict over water is possible. The nature of these committees has not yet been determined.

The Project is managed by the MOWRAM Project Management Office (PMO), established in MOWRAM Headquarters (HQ) to manage and implement ongoing irrigation development projects. Project field activities will be managed by Project Implementation Units (PIU), established in the PDOWRAM in each province. Resettlement working groups established in the target provinces during project preparation are being continued, to implement and/or monitor resettlement-related activities 2. A consultant team based in MOWRAM HQ supports the PMO and PIUs in project implementation. Standard RGC/ADB procedures are used for disbursement, contract management, financial management, etc.

The implementation arrangements in place for NWISP provide a straightforward and well-tried model – or could themselves be used – for sub-projects of similar type that are selected for implementation under the TSLSP loan project.

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1 The PSC is reported to be relatively inactive, presumably because there are few issues that go beyond the particular concerns of MOWRAM.

2 A resettlement working group was not established in Siem Reap province during the PPTA, and will be added.
4.3 Northwestern Rural Development Project

The Northwestern Rural Development Project (NRDP) has three components: rural infrastructure development (rural roads and public facilities such as schools) (60% of funds), community and institutional capacity building (8%), and rural livelihood enhancement (beneficiary empowerment, social infrastructure at village level, and savings/credit initiatives – 19%). It targets 14 districts in Banteay Meanchey, Otadar Meanchey, Siem Reap and Battambang provinces.

Implementation arrangements for NRDP are “unique to the MRD and ADB’s joint development strategy, in that they are multi-sectorial in coverage, decentralized and de-concentrated in nature, and multi-stakeholder in ownership and implementation.” Day to day project management is by a Project Management Unit (PMU) located within the Provincial Department of Rural Development (PDRD), Banteay Meanchey. The project management consultants are located at the PMU. The PMU is supported by a Liaison Office in the MRD, and it supports four Project Implementation Units in each PDRD of the target provinces. The PMU is responsible for project-wide management (e.g. staff training, monitoring and evaluation), coordinating and supporting the PIUs, and managing the project imprest account and funds flows to the PIU imprest accounts. The PIUs are responsible for day-to-day management, such as contract management and management of the PIU imprest account.

Coordination by the PIUs with other line agencies and programs in the provinces is, formally, through the PRDCs. The PIUs also must coordinate activities with other project participants – in particular, NGOs working as project contractors/facilitators, Village Development Committees (VDCs), and Commune Councils.

The rural livelihood enhancement component of the NRDP focuses on the village and commune level, working through commune/village planning processes. Village Action Plans are prepared for “focus villages” by Village Development Committees assisted by contracted NGO facilitators, as input to Commune Council Investment Plans. Small-scale infrastructure projects that meet project criteria are supported by the project through the Commune Council Fund and Commune Council bank accounts, following the methodology outlined in NRDP Briefing Notes 4 and 83 (Warren, June 2004; McKinnon and Cole, March 2006). Established Commune Council procedures for procurement and monitoring are used. Generally, VDCs arrange and supervise the work.

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3 The procedure is based on the PLG (Seila) Commune/Sangkat Fund Project Implementation Manual. Briefing Note 8 gives copious detail on procedures, roles, responsibilities etc.
4.4 ADESS

The ADESS (Agricultural Development Support to Seila) project, supported by IFAD, UNDP and AusAID to the level of $11.55 million over a six-year implementation period, is a very relevant example of a rural development project implemented within the Seila framework. Its components are (a) Agricultural Investment: (Production Start-up Program, Agricultural Improvement Program; Technical Support and Capacity Building), (b) Rural Micro-Finance; and (c) Project Support and Co-ordination. There has been a strong emphasis on enhancing the livelihoods of 65,000 of the poorest households in the four target provinces, through a “menu” of assistance delivered through diverse mechanisms such as farmer field days, training of Village Animal Health Workers, provision of packages of seeds and other inputs, availability of micro-credit, etc.

The project was implemented through a simple hierarchical structure, consisting of:

a. A small Project Support Unit in MAFF, whose role was coordination and facilitation rather than management (i.e. it was not a PMU). MAFF appointed the National Project Coordinator and deputy, and other PSU staff were recruited competitively. The PSU was engaged closely with Seila Working Group, and also became involved in coordinating other projects.

b. Provincial teams of technical, management and administrative staff – 16 per province.

c. District extension workers – 5 per district – recruited from within the provincial department of agriculture, as far as possible locally, to avoid difficulties with relocation.

d. Village Extension Workers (VEW) and Village Animal Health Workers (VAHW) – individual villagers chosen and then trained for the role, in each of the target villages.

The project was supported by two international Technical Advisers (located in Battambang) and nine national Technical Advisers (two in each province and one at national level). Support services in regard to micro-credit facilities were contracted from local NGOs, although this presented the significant difficulty that able and/or willing NGOs were not easy to find.

The project was rated, overall, as “highly satisfactory” by the Project Completion Review Mission in its *aide memoire* (see also the ADESS Project Completion Report, May 2006). Several “challenges” (lessons learned) are relevant to the TSLSP, including:

- Developing a management/administrative system compatible with both Seila and IFAD (as the principal funding agency)
- The role of Ministry of Economy and Finance in ensuring a free flow of funds
- Finding NGOs willing and able to contract services in the area of micro-finance provision
- Relationships with other, non-project micro-finance institutions operating in the target area, particularly with regard to the compatibility of interest rates charged to different groups of project beneficiaries

4 The ADESS Project Completion Review Mission *aide memoire* and Project Completion Report describe much additional experience that is relevant to selection of sub-projects and interventions under TSLSP.
The need for a cooperative relationship between the provincial department of agriculture and the PRDC ExCom

Ensuring sustainability of the project following completion, notably in terms of ensuring the availability and/or good management of funds required for inputs (such as fuel for the extension workers’ motorcycles, fertilizer for the beneficiary farmers, ongoing support of VEWs and VAHWs).

5 OVERVIEW

The concept of the TSLSP potentially is broader and more complex than any of the four projects referred to in section 4. The Technical Assistance Report for TSLSP indicates that “the same implementation arrangements and modalities as the TSSLP” will be used. However, there are significant differences between the two projects and the agencies that will be involved in implementation, so that some variations will be necessary.

5.1 TSLSP activities

The exact nature and scope of and the appropriate balance (and proportion of total project funding) between types of sub-projects and activities have yet to be defined, but the following are expected to feature in TSLP:

- Rural infrastructure – in particular, roads and water management systems – whose complexity, scale or geographical extent are such that design, construction or contract management requires the technical capacity of a line ministry. The project implementation modalities in use by NWISP for irrigation systems are relevant here. The line management and project management systems of MOWRAM are being used to engineer the hardware components of the sub-project, while MOWRAM’s approaches to establishing FWUCs will be used to enable community participation and ensure project responsiveness and sustainability.

- Agricultural extension – potentially, a diverse package of interventions that can be replicated over and over again for different target communities, or can be provided most efficiently at a single place for people from several communities. Examples include mobilizing district extension workers, training village animal health workers, or mounting farmer field schools or training days. ADESS has successfully carried out thousands of such interventions, using the line management systems of MAFF and working within the Seila framework to deliver assistance that is both “demand-driven” and “provider-driven”.

- Support for community initiatives, through a commune-managed fund, to carry out projects that are local (village-scale) in scope and within the capacity of villagers to plan, carry out or oversee. Implementation arrangements for the livelihood fund to be set up under the TSSLP are specified in general terms in the RRP, and there is an expectation that the same arrangements will be used by TSLP. The NRDP already has prepared and is following detailed

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5 Most obviously, TSSLP focuses on the core zone and buffer zone of the TSBR, and fishery and environmental issues are of major significance, whereas TSLSP addresses the transition zone and area beyond Highways 5 and 6, and rural development and agricultural water management assume greater importance.

6 In particular, are “trans-village” or “trans-commune” in nature, so would not be appropriate investments under the proposed commune livelihood fund.
procedures and structures for managing such a fund, while ADESS developed considerable experience in administering similar funds, using NGOs as agents.

- Community capacity building, to equip and empower communities (villages, communes, particular groups of people). Given the importance of off-farm employment for most rural households, occupational training could be a significant component.

5.2 TSLSP institutional arrangements

Several elements of the institutional arrangements needed for implementation of the TSLSP must be considered. An underlying consideration is the limited capacity of RGC, particularly in terms of skilled and experienced staff. Institutional arrangements should as far as possible employ existing structures and minimize demands on over-stretched staff.

5.2.1 Coordination at national level

The scope of TSLSP is wide. Several RGC agencies (at national and sub-national levels) will be directly engaged in implementation (MAFF, MOI, MOL, MOWRAM, MRD,) or will have a strong interest in the project (MEF, MLUPC, MOE, MOEd, MWVA). Good communication and understanding among these agencies will be essential. For TSSLP, a Project Steering Committee will be established to provide guidance on strategy and policy. It is to be chaired by the CARD, with members representing several line ministries. This same PSC could efficiently carry out exactly the same role for TSLSP, and effectively link the two projects. An alternative approach would be to use CNMC structures. However, the mandate of the TSBR Secretariat is limited to the TSBR, while the proposed Tonle Sap Basin Committee itself will be getting established when TSLSP implementation commences, and may be unable to give the necessary attention to TSLSP.

It is proposed that the Project Steering Committee established for TSSLP, with CARD as chair, should take responsibility also for TSLSP.

5.2.2 Executing Agency

The projects reviewed in section 4 have a variety of Executing Agencies (EAs). Arguably, the EA should be the line ministry with responsibility for the matters in which a project has its principal outcomes – MOI in the case of TSSLP, where D&D and capacity building/livelihood enhancement are of major significance. There is also a case for selecting an EA that is not directly engaged in delivery of services, particularly in cross-sectoral projects like TSLSP, and that can take a more “detached” view.

The TSLSP is, if anything, more cross-sectoral in nature than TSSLP, and the emphasis on working at commune level, within the D&D context, is at least as strong. There is, therefore, a strong argument for aligning the TSLSP with the TSSLP, and appointing MOI as EA. The TSSLP consultants will be mobilized in November 2006, so MOI will have established valuable experience in executing a closely related project, by the time that TSLSP itself commences.

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7 In the case of NWISP, whose principal outcome is irrigation rehabilitation, MEF rather than MOWRAM is the EA, presumably because of the perceived importance of timely financial transactions and financial control.
An alternative arrangement, following from the emphasis placed on water management infrastructure by the TSLSP Technical Assistance Report, is that MOWRAM should be appointed as EA. However, there may be less emphasis on water management than originally was conceived (e.g. matters such as transportation and markets, vocational training, agricultural extension, etc. are shown by the project’s RRA to be of great significance), and the argument for a more “detached” EA would become stronger.

It is proposed, very tentatively, that MOI be appointed as the EA for the TSLSP, with the arrangements that it establishes for TSSLP being extended to TSLSP in due course.

5.2.3 Implementing Agency

The choice of Implementing Agency/ies (IA) depends strongly on the nature of the planned project interventions. The TSSLP will have different IAs for the several sub-components – it will be instructive to see how this arrangement works in practice, and particularly how effectively the sub-components are coordinated. Other projects reviewed in section 4 have a single IA, although with some rather innovative means of implementation to achieve cross-sectoral coordination.

On the assumption that TSLSP includes a range of sub-components dealing with different aspects of rural development (section 5.1 above), and following the TSSLP model, it may be necessary to appoint several IAs:

- MOWRAM for water management-related infrastructure not provided via the community livelihood fund
- MRD for other infrastructure not provided via the community livelihood fund
- MAFF for agricultural extension work and other interventions related to agriculture (farm inputs, agribusiness services, etc.)
- MAFF, MOI, or MRD for community initiatives, and management of the community livelihood fund

The appointment of several IAs could help to mobilize the “ownership” and particular skills of the four line ministries in support of the Project. It would require sophisticated and effective means of coordination at provincial and sub-provincial levels, under the oversight of an effective and active PSC and EA at national level. It is questionable whether resources and skills are available to achieve this at present, although an aim of the project could be to mobilize them (as is the case with the projects reviewed in section 4).

Alternatively, just one of the four could be appointed as a single IA which is responsible for coordinating and contracting inputs by the other agencies. Arguments could be made for any one of the four; it seems likely that the greater part of project funds will be directed into water-management related infrastructure, which might suggest MOWRAM as the single most appropriate choice. Having said that, the community initiatives/community livelihood fund component is still rather novel, is strongly aligned to D&D policy, has an “empowering” rather than “service delivery” emphasis, and is to be implemented by MOI in the TSSLP. Accordingly, MOI might be a more appropriate IA than MOWRAM (noting that MOWRAM has relevant experience in community empowerment through FWUCs, and MAFF and MRD have implemented this type of component (see section 0 and 0)). Whatever the final decision, the on-the-ground arrangements for management, administration and coordination will be critical to success.
It is proposed, very tentatively, that MOWRAM be appointed as IA for all components of the Project, except for the community initiatives/community livelihood fund component, for which MOI should be appointed IA.

5.2.4 Arrangements for management and administration

The management and administration systems and structures that have been established for project implementation are diverse (section 4). In general, though, there is a project management unit to oversee the entire project on a day-to-day basis, located in the IA’s Phnom Penh headquarters or, less frequently, at the IA’s provincial office in one of the provinces covered by the project. There are project implementation units (PIU) or teams at provincial level, located in the provincial offices of the IA. (For TSSLP activities related to commune initiatives/community livelihood fund management, Commune Livelihood Facilitation Teams are to be established in the provincial governors’ offices.) The PIU generally has administrative, management and technical staff drawn from the IA (or has access to the services of the provincial office), with appropriately skilled technical staff seconded from other provincial departments with responsibilities relevant to the project. The PIU is able to contract services for project activities, from NGOs, RGC agencies (including district offices), the private sector, or community-based organizations.

Seila provides the framework within which a PIU works. Project activities can be incorporated into provincial plans via the PRDC, on which the provincial offices of line agencies are represented. Planning of village and commune-level project activities similarly can be aligned with other activities via established commune planning and budgeting procedures.

It is premature to specify here the details of project implementation at sub-national level; accumulating experience with NWISP and other MOWRAM projects, ADESS, NRDP, and – most importantly – TSSLP will need to be fed into the design. However, following on from section 5.2.3 above, it is proposed that (a) MOWRAM manage its components of the project through its existing PMU, and establish PIUs in the PDOWRAMs of target provinces; and (b) MOI manages its component of the project through the arrangements that are to be put in place for equivalent activities under TSSLP.

6 REFERENCES


