

Speaking Notes
by
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Second Cambodia Development Cooperation Forum

CDC, Phnom Penh, December 04-05, 2008



- *Excellency Mr. Keat Chhun, Deputy Prime Minister, Minister of Economy and Finance, Chairman of the Forum,*
- *Excellencies, Ladies and Gentlemen!*

Capacity development and public services is a very broad topic involving a whole range of reforms from the reform of public finances, decentralization and deconcentration, to reforms in every sector. The next Governance Action Plan, whose preparation has started, will focus on developing human and institutional capacity to improve the quality and delivery of public services. The next Governance Action Plan will be about effective governance.

Capacity is built with difficulty over time based on the traditions and culture of a society and according to its human, institutional and financial means. Every one of the reforms undertaken by the Royal Government in the context of its Governance Action Plan directly contributes to developing capacity and improving services. Whether the reform targets democratization and deconcentration, public finances, human development or the management of natural resources, it contributes to entrenching and strengthening capacity.

Two reforms along with the Administrative Reform will be important determinant to developing capacity and to improve public services. The Legal and Judicial

Reform and the Fight against Corruption are two reforms that contribute directly to developing the capacity of the State to meet its responsibilities. I need not delve into the seven strategic objectives of the Legal & Judicial Reform and the triangular strategy of the Fight against Corruption nor their achievements. They were discussed and explained many times and lately at the Government-Development Partners Coordination Committee. The point is that both reforms are essential to meeting the requirements of the Rule of Law. And the Rule of Law, in turn, is critical to capacity.

There is a fundamental principle: institutions do not do. People do. But institutions are necessary to sustain. Human and institutions shall be reconciled for the better good of all. Our approach needs to address both in tandem: developing human resources (skills, experience, career, behavior, values) while rationalizing processes and structures, and providing an enabling environment with adequate compensation to motivate civil servants. Public Finance Management Reform (PFM) and Decentralization and Deconcentration (D&D) are two examples of reforms that are radically transforming past ways within the Civil Service. Both require massive investments to develop capacity to implement and sustain.

The secret to success: the direction shall be clear and ministries must be at the fore front. Commitment, determination, coordination and discipline will be required.

Excellencies, Ladies and Gentlemen

Please allow me to explain briefly on the Administrative Reform. The objective is to serve people better by transforming the Civil Service into an effective provider of services and a trusted development partner. A Civil Service that is motivated, loyal, professional and of service.

The Administrative Reform has reached a point where it can leap forward to achieve five clear objectives set out by Samdech Akkak Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia as follows:

- Improving transparency and quality in the delivery of public services;
- Improving accountability and efficiency in public services;
- Developing human and institutional capacity;
- Enhancing human resources management and payroll;
- Strengthening cadre management and deployment.

We are determining the specifics of the actions, their sequencing and modalities. Very fruitful consultations are ongoing with ministries and development partners. These discussions will culminate in a National Seminar in January, involving all those concerned, during which we will seek to reach a broad based consensus on an action plan, with indicators, to deepen and widen the reform of the Civil

Service. Necessary partnerships arrangements will be put in place shortly thereafter.

We have a sound base to build on: the Civil Service has been unified and is stable, the legal base is in place, management, control and pay mechanisms are effective, for example.

But we face important challenges to modernize the Civil Service into an effective provider of public services and a trusted development partner.

- We need to increase the accessibility, transparency and responsiveness of public services particularly those that matter most to the people;
- We need to promote motivation, loyalty, professionalism and a service culture within the Civil Service;
- We need to execute programs to develop human and institutional capacity to implement and to sustain;
- We need to improve performance and accountability using innovative instruments in a controlled manner;
- We need to better manage human resources based on principles of performance and merit.
- We need to better motivate civil servants with adequate compensation and promising career perspectives.

To name of few such challenges. All are difficult and arduous challenges that will tax the best of determination and resources. As experience shows around the world, it can only be work in progress. And, it is a matter of what **can** be done and sustained.

We have innovative policies and instruments ready to be deployed to enhance the quality and delivery of public services. The Policy on Public Service Delivery was approved and is being implemented. We are preparing a compendium of information on public services for broad dissemination as a means to improve understanding and transparency. Services are being overhauled in every sector. The APSARA Authority, for example, is transforming itself to significantly improve its services to preserve and sustainably develop the Angkor site through the establishment of centre of services using one window service mechanism.

Special Operating Agencies (SOA) are new instruments that focus on service delivery and complement the One Window Offices. Priority Mission Group (PMG) and Merit Based Performance Incentive (MBPI) provide performance incentives to staff involved in operational and strategic priorities of the National Strategy Development Plan (NSDP) and the Governance Action Plan (GAP) as instruments of Samdech Techo Prime Minister's Rectangular Strategy. We will

make policies and practices relating to the management, development and deployment of human resources more effectively. With other reforms we will develop human and institutional capacity to serve people better. To do so, we will secure and use acquired capacity. Cambodia cannot afford not to use all the capacity it can muster.

Priority Mission Group and Merit Based Performance Incentive will also help us harmonize and phase out salary supplementation practices in an orderly manner. Development partners are keen to align with government's programs. We will face difficult transitions. Salary supplementation practices are well entrenched. All together, we will need determination and discipline. Sound, practical transition mechanisms need to be deployed.

The Administrative Reform is about developing the capacity of the Civil Service. We will do so in close cooperation with other reforms. Capacity is the result of a mix of experience, skills and motivation. It is also having the right people, at the right place, at the right time. Our approach to developing capacity will be wide ranging including initiatives that will strengthen the management and development of human resources, the management of performance and accountability, and increase the effectiveness of corporate processes. An early priority will be to make capacity development demand driven and cambodianized.

Because of financial and human capacity constraints we will focus on the main priorities of government and on supporting the implementation of strategic sectoral reforms. The Administrative Reform will better support reforms whose purposes are to improve the quality and delivery of public services. Our approach will be prudent (step by step) and will respect the budgetary framework particularly when it comes to the introduction of incentive instruments and to improving compensation in the Civil Service.

In the end, our success will largely depend on a management and compensation regime that will motivate civil servants to perform and provide them with opportunities for a rewarding career. Having established the Civil Service as a unified, stable and operational instrument of the State and the People, we now need to improve its performance and accountability. Early on in the mandate, we will carry out studies to inform on options to enhance compensation within the Civil Service to a level that is fair for all and affordable.

The Joint Monitoring Indicators (JMIs) and the Poverty Reduction and Growth Operations (PRGO) triggers to which the Royal Government is committing, clearly indicate the seriousness and the depth of the Royal Government's determination. They follow the logic of the reform to date. They are logical next steps. But, the reform shall be practical and not put at risks significant

achievements to date. We are reforming a new institution. We will need to very carefully track risks.

We all live in difficult times. For Cambodia to achieve its objective of sustainable development, social justice and poverty reduction, it is essential that the Civil Service fulfills fully its role. It is the well-being of Cambodians and the prosperity of Cambodia that are at stake. If anything, the role and responsibilities of the Civil Service are likely to become even more determinant, if only to make the market more socially responsible.

We, at the Council for Administrative Reform, are looking forward to working closely with ministries and development partners to meet common objectives.

Thank you very much for your kind attention.