

**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.¹
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 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.

¹ See Section Two for a definition of technical cooperation that will be used for the purpose of this exercise.

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."²

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 this study.³ 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.⁴ 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.⁵ 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

² See OECD/DAC Statistical Reporting Directives (2007), paras 40-44.

³ 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.

⁴ 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).

⁵ See OECD/DAC (2006), 'The Challenge of Capacity Development', para 11

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.⁶

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.⁷ 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:

⁶ 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. 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.

⁷ See the list of attached references and readings to gauge what is already understood about technical cooperation in Cambodia as well as further afield.

- 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.⁸
- 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 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

⁸ 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)

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.⁹ 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;
 - (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).¹⁰

⁹ 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.

¹⁰ Please email proposed contacts and documents to Ms HEANG Kanelle at heang.kanelle@crdb.gov.kh

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).¹¹

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.
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.

¹¹ The Report will then become a Government document and, if appropriate, will be used as an input to develop a technical cooperation guideline.

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

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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.