

## **ORGANIZATIONAL AND HUMAN CAPITAL MANAGEMENT IN THE PUBLIC SECTOR IN CAMBODIA**

**Mrs. SarSamlaut, MPA**

Cultural Relations and Scholarship Department,

Ministry of Education Youth and Sport

E-mail: samlautsar@yahoo.com

### **ABSTRACT**

Public Administration and Sustainable Development Goals (SDGs) may contribute to a better shared for political leadership, guidance and recommendations towards future human progress rooted in the value of freedom, equality, solidarity, tolerance, respect for nature and mutual responsibility. So we really need the new or latest comprehensive documents from researchers who are talent in academic paper writing or analysis in helping lights ways for our young generation. In order to achieve Administration and Sustainable Development Goals (SDGs) we need to figure out issues of SDGs. Moreover; we also need to develop sub-themes of public administration and management perspective. Through the sub-themes, we need to challenge some issues like: Public Administration Reform: from old to new paradigms; Public Policy Innovation; Local Governance, Governance and Administration; Fiscal Policy and Management; Legal Issues and Practices in Public Administration; and Organizational and Human Capital Management in the Public Sector. So we can assume that successful Public administration and Sustainable Development Goals (SDGs) may results from innovative ideas play of administrators to pass the maximum dimension meet area of economic, social and environment.

Referring the above mention; this paper will focuses on Human Resource Capacity Building through knowledge, skill and network within institutions, systems and the cultural environment in the organization which facilitate high performance. The character, values and attitudes of leaders must be congruent with the values and goals of the organization. We will present different factors that might influence the value character attitude, and job satisfaction of the civil servant in public service delivery for citizen in Cambodia. We distinguish four factors that influent HR Capacity Building that are: Twelve Key Concepts, Leadership in the realm of Human Resource Management (HRM), HRCD as an integral part of good governance, and Approaches to Capacity Development. Basing on theory and practice of good governance and sustainable development goals; we will see the quality of public service delivery in Cambodia, a developing country and the developed countries. And from critical analysis we will find out what policies and reforms that Cambodia will need for poverty reducing and promoting broad-based economic growth for the citizen. This paper also will be seek out what tools or indicators needed for effectiveness and efficiency in public service

delivery in Cambodia. Surely work successful relied on each official performance. It's mean that all human capital or bureaucrats that responsible for serving citizen must be the best and flexible for change. Especially the administrator roles must be assuring in management and implementing law. The organization also need to update the latest technology and transforming its' structure to e-Government Branch structure in order to deliver good service.

**Keyword:** Public Administration, Sustainable Development Goals, Human Capital

## Introduction

There are two indicators, one is revenues, expenditures and financing of all central government entities; and second is perception of public sector corruption that need to be challenging for develop effective, accountable and transparent institutions at all levels. And the relative important success of institutions at all levels are basis on organization and human capital management that ensure to achieve Public Administration and Sustainable Development Goals (SDGs) towards Sustainable Development Goal number 16 *Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels*

Effective institutions and Human Capital Management contribute to sustainable economic development involving changing in civil servant behavior and attitude, social structure, poverty reduction, inequality elimination, high performance and opportunity increasing. By ensuring good governance, accountability, transparency, participation and openness, resources are well-managed, quality services are accessible and development goals are met. Effective institutions and human capital management at all levels build public trust and reinforce societal foundations. Resulting from responsive to feedback of citizen; citizen meets motivation, satisfaction and demands and encourage for attending in activity of planning, leading, organizing and controlling; especially budgeting and decision-making.

In order to enable such institutions to develop and contribute to sustainable development, new approaches are needed beyond traditional technical assistance and the introduction of reform processes that are not adapted to country contexts or needs. Instead, learning from peers, tailored reform initiatives, and drawing on innovative experiences across countries and organizations is critical to the enabling of accountable and transparent institutions.

Transparency strengthens the opportunities for public oversight by allowing for public engagement in budgeting processes and for public scrutiny of discrepancies. These discrepancies can exist between revenue and expenditure data, as well as other published data

including payments by companies and corporate tax disclosures. Public scrutiny can help identify both national discrepancies as well as intentional discrepancies, caused, for instance, by Base Erosion and Profit Shifting (BEPS) and illicit flows. This is particularly important in the context of natural resource revenues, which present greater risks of mismanagement and corruption, as recognized by Pillar IV of the IMF Fiscal Transparency code, which focuses on Resource Revenue Management. Importantly, budget transparency will facilitate tracking of domestic resource mobilization and expenditures towards the SDGs.

Importantly, “expenditures” refers to all expenditures, including off-budget expenditures, which is particularly important with natural resource revenues, which are often not allocated through the national budget. This indicator also includes monitoring on the use of fuel subsidies, which can be a large extra-budgetary expenditure in a number of countries.

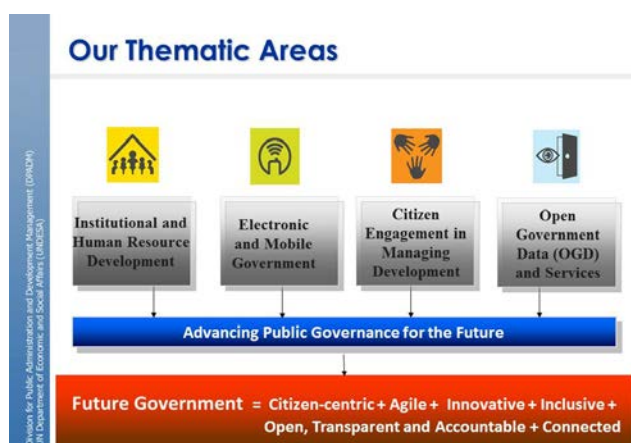
❖ **What is sustainable development goal?**



❖ **What is Human Capital? Human Capital have defined some distinguish meanings as the following:**

- ❖ the skills, knowledge, and experience possessed by an individual or population, viewed in terms of their value or cost to an organization or country.

- ❖ Human capital is the stock of knowledge, habits, social and personality attributes, including creativity, embodied in the ability to perform labor so as to produce economic value.
- ❖ Alternatively, Human capital is a collection of resources—all the knowledge, talents, skills, abilities, experience, intelligence, training, judgment, and wisdom possessed individually and collectively by individuals in a population. These resources are the total capacity of the people that represents a form of wealth which can be directed to accomplish the goals of the nation or state or a portion thereof.
- ❖ **What is Development?**Development is a multi-dimensional process involving changes in social structures, popular attitudes, and national institutions, as well as the acceleration of economic growth, the reduction of inequality, and the eradication of poverty.” (Todaro andSmith).
- ❖ **What is economic development?**Economic development generally refers to the sustained concerted action of policymakers and communities that promote the standard of living and economic healthof a specific area. Such actions can involve multiple areas of inculding development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy, and other initiatives. Economic development differs from economic growth.Whereas economic development is a policy intervention endeavor with aims of economic and social well-being of people, economic growth is a phenomenon of market productivity and rise in GDP. Consequently, as economist AmartyaSen points out: “economic growth is one aspect of the process of economic development.”



## Reflection of Big Data in public sector is open government data

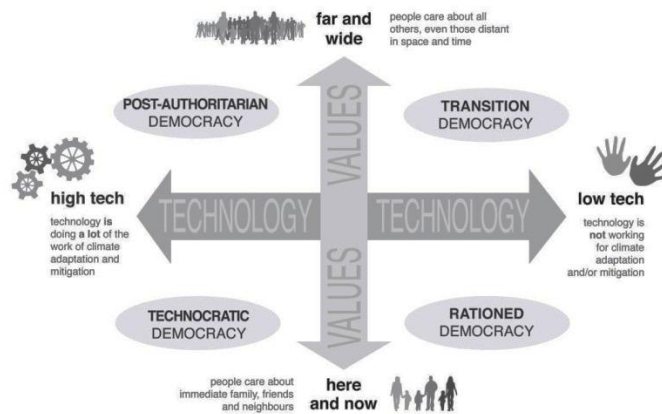


At one level, the ideas and reality of sustainable development and democracy overlap and are interdependent. Common to both sustainable development and democracy is participation – the ability of all people to come together and be involved in decisions about how we live and the goals we want to achieve as societies. There are also tensions and differences between the two ideas which need to be resolved in order for current political democratic systems to adapt in the direction of achieving sustainable development.

Pressures on our current democratic systems, particularly the demand for a very different kind of politics or engagement, and the challenges of tackling complex problems, also imply that our democratic system and practices need to evolve.

This paper sets out both the similarities and tensions between democracy and sustainable development, and scopes out the ways in which these tensions might be resolved.

### What is the related issue?



### Body

#### Main text, tables and figures

### Foundation of HR Capacity Development as Model Guideline for Public administration and development

- Twelve Key Concepts
- Leadership in the realm of Human Resource Management (HRM)
- HRCd as an integral part of good governance
- Approaches to Capacity Development

I. Twelve key concepts are:

- 1: Capacity Building
- 2: Capacity Development
- 3: Good Governance
- 4: Human Resource Management (HRM)
- 5: Human Resource Development (HRD)

6: HR Capacity Development (HRCD)

7: HRCD in Africa

8: HRM Policy

9: Leadership

10: POSDCORB Framework

11: Succession Planning

12: Talent Management

## II. Leadership in the Realm of Human Resource Management (HRM)

When addressing the issue of Capacity Development UNDP defines Leadership as “the ability to influence, inspire, and motivate others to achieve or even go beyond their goals. It is also the ability to anticipate and respond to change. Leadership is not necessarily synonymous with a position of authority; it can also be held at many levels.” In addition, it was specified that leadership can either be on an individual, team or organizational level. A government unit, like those handling human resources can take the lead in initiating reforms in public administration to create a stronger government as well as invest in creating an empowered human resource community at country level.

### **Theme 2: Complexity of the Concept of “Leadership”**

An Ad Hoc Expert Group Meeting organized in Turin (Italy) by the United Nations Department of Economic and Social Affairs (UNDESA) in collaboration with the International Association of Schools and Institutes of Administration (IASIA) on the subject of “New Challenges for Senior Leadership Enhancement for Improved Public Management in a Globalizing World” (19 - 20 September 2002) started out by discussing the concept of leadership. The extract below from the meeting report illustrates the complexity of the concepts of “leadership”.

- understand leadership
- discouraged two conceptual elements
- leadership capacity enhancement
- leadership in something people do
- various level of empowerment

- ❖ Understanding leadership: the starting point was to have shared and agreed understanding of leadership that could form the basis of defining strategies

and activities for leadership capacity enhancement. Several concepts came into play here; (i) the concept that make the leader as a captive of the environment and therefore seeing litter opportunity for vision and creativity, (ii) the concept that insists on leadership as visionary centering on problem solving, entrepreneurship, strategic thinking and risk taking, (iii) the concept which puts a high premium of leadership on the search for and interest in perfection making leaders surround themselves with highly capable cadres and undertaking to engage in a continuous process and strategy of perpetual learning, (iv) the concept that deals with the challenges of leadership requiring leaders to have a sustained and clear awareness of the real development challenges in their respective environments, going beyond mere political survival and centering on an ability for policy analysis.

- ❖ Discouraged Two Conceptual Elements: The meeting discouraged two conceptual elements. The first one was that leadership should not be understood to make leaders captives of their environment. The second one was that the challenge of leadership should not be taken as mere political survival of individual leaders but rather the understanding of what needs to be done for the good of the concerned society. Here it was stressed that the leader needs to project the image of caring for the General Good of the Public.
- ❖ Leadership Capacity Enhancement: The following understanding of leadership was considered to be further refined so that it constitutes a point of departure for activities of leadership capacity enhancement that will be embarked on. “Leadership is a concept that encompasses personal or group attributes, organizational structural arrangements, positions, functions, responsibilities, knowledge, skills, actions and attitudes that are shaped by the past and current socio-political-economic and cultural conditions in pursuing a shared common vision/goal/ purpose/ objectives. Thus is it’s a road and a vehicle leading from the past through the present into the future”.
- ❖ Leadership is something people do: Leadership needs to be conceived as something people do and not only in terms of what people are. We also need to bear in mind that leadership as a function happens at various levels of society. We have to be careful of the concept of leadership as the “Lone Hero at the Top”. In order for the whole government administration to function many people have to exercise leadership skills at many levels.



- ❖ **Various Level of Empowerment:** Another shorter definition was also proposed encapsulating the concept of leadership at various levels and empowerment. “The ability to mobilize people and resources to accomplish a productive goal”.

### **Four Critical Elements of Leadership**

It was the view of the majority of participants of the conference that too much energy should not be spent on defining terms but instead directed towards developing a matrix of focus groups and strategies attached to each. The four critical elements of leadership were identified as: Vision, Mobilization, Action, and Learning.



A leader or a group of leaders must have a vision, be able to mobilize commitment and resources for pursuing the vision, and take the necessary action for realizing the vision. Leaders must also be able to continuously learn. It was acknowledged that the situation is more complex for leaders of the countries that face abject poverty and conflicts. Participants felt that in enhancing leadership skills particular attention should be paid to the people who are led, in order to emphasize the role of a leader as a coach and a mentor”. Source: (Extracted from the Report of the United Nations Expert Group Meeting on New Challenges for Senior Leadership Enhancement for Improved Public Management in a Globalizing World, (Turin Italy, 19 - 20 September 2002).

### **Organizational and Management Function**

Human Resource Management is an organizational and management function that basically deals with people at work. This includes identification, selection, recruitment, induction, deployment, training and development, compensation, welfare, promotion, performance monitoring and evaluation, discipline, separation, etc.

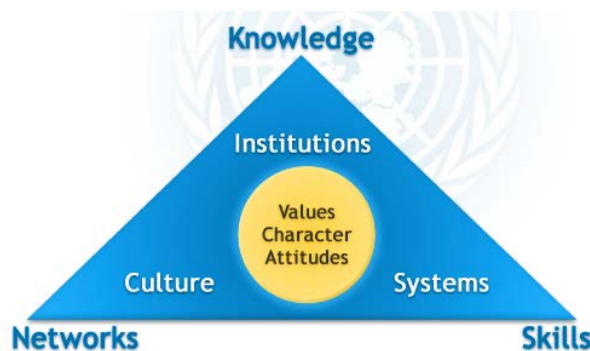
Given the significant role HR managers have to play in any given organization; it is important that they not only understand their responsibilities but that they be part of the strategic leadership and management of the organizations ensuring that institutional systems, procedures, processes, rules, regulations, tools, facilities, policies and strategies for reform and performance improvement are such that they support maximum performance form

individuals and groups the organization. It needs to be kept in mind that leadership (which ever way one defines it) is a part of the human resource of the organization

Although by definition management and leadership are different particularly if leadership is contextualized as a trait or a skill, for our HR managers, one can not do without the other. Both skills in management and in leadership should be applied to ensure that goals are met and results are attained.

### **Leadership Analysis Framework**

The Leadership Analysis Framework below emphasizes that to be an effective leader one has to have the necessary knowledge, skills and networks working within institutions, systems and the cultural environment in the organization which facilitate high performance. The character, values and attitudes of leaders must be congruent with the values and goals of the organization.



### **HRCD & Good Governance**

Good governance is a profound concept that challenges many societies both in the developed and developing world.

For HR managers, good governance has shifted the paradigm from classical requirements of the human resource in terms of skills, knowledge, networks, mindsets and attitudes to management, capacity development, institutional arrangements and enhancement of trust in government by multiplying players.

An HR manager can make or break the trust the people have in the government. The characteristics of good governance should be put into practice in all aspects of HRM especially for the core functions related to policies, planning & organization, strategies & service delivery systems.

*HR managers must operate within the values of good governance and transmit those values to others in the organization.*

### **III. Theme 3: Human Resource Capacity Development (HRCDD)**

Good governance is a profound concept that is challenging many societies both in the developed and developing world. While a universally agreed understanding of the concept does not exist as yet, every society aspires to achieve and, with regard to their particular context, defines what is meant by good governance. (as a recap on the issues involved in the definition of the concept see Key Concepts: Good governance above).

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#### **Effective Human Resource Managers**

The qualities of an effective HR manager in terms of knowledge, skills, attitude, and networks can make or break the trust the people have in the government. In this perspective, while maintaining a focus on human resource management, capacity development concerning people's leadership in a good governance framework should be put into practice in all of its aspects. This applies especially for the core functions related to policies, planning and organization, strategies and service delivery systems.

To be able to do this, HR managers should initially capacitate themselves by capacitating the others with the values of good governance. For example, a HR manager cannot be an effective leader without incorporating transparency into their HRM processes or if HR manager do not engage people in a dialogue to build consensus and mutual support.

#### **Trust Engineering in Human Resource Capacity Development**

The top political, managerial, and technical leaders in the public sector are the most influential part of the human resource when it comes to creating and strengthening trust in government. Trust in government may refer to one or all of the following:

- Trust in the sense that the institutions of government are working well and the action of government is predictable;
- Trust in the sense that people trust the employees of government and the way they treat them;
- Trust in the sense that the services rendered by the government are well appreciated and equitable;

- Trust in the sense that people have hope in the future of their country based on the plans of government.

#### **IV Theme 4: Approaches to Capacity Development**

Capacity development has two approaches:

1. Traditional Approach which is focuses on individuals rather than the organizations and the environment in which the individuals must operate
2. Holistic Approach is defined as an integration of all focus areas of capacity development, namely individuals and teams, institutions, environment, and facilitation.

There are strategic actions and activities that correspond to each focus area under this approach. These strategies build on the capacity of the person, teams as well as the organization. Governance is very much visible in this approach because it involves every organizational level thereby ensuring participatory engagement, transparency and creating a sense of ownership and accountability.

### **CAMBODIA IN CONTEXT OF PUBLIC OF ADMINISTRATION AND DEVELOPMENT**

#### **1. Cambodia Data Historic Fact and Colonial Background**

- Angkor: Glory Empire between 12<sup>th</sup>-16<sup>th</sup> century
- 1865-1953: French Colonial Era
- 1953-1970: Monarchy Regime
- 1970-1975: Republic Regime
- 1975-1979: Pol Pot and Khmer Rouge Terror
- 1979-1989 People's Republic of Kampuchea
- 1991 Paris Peace Accord
- 1992 Start of the UNTAC Era

- 1993 First National Election
- 1993 Passing of the Constitution of the Kingdom of Cambodia
- 1996 Violent conflicts
- 1998 2<sup>nd</sup> National Election/stalemate government formation
- 2003 3<sup>rd</sup> National Election
- 2008 4<sup>th</sup> National Election be in 27 July
- 2013 5<sup>th</sup> National Election be in 28 July

❖ Cambodia Democracy

- Election not satisfy free and fair
- Executive, legislative and court power is not clearly separate
- Constitution, based on principle liberal democracy and pluralism is not fully implemented
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## **2. Description of political and economic background of Cambodia**

Ravaged by almost twenty years of war, massive and unprecedented losses of human lives, rural and urban infrastructure, loss of agricultural potentials, and wracked by political instability and insecurity, Cambodia, with the assistance of the international community has begun to emerge from the painful legacy of its past. With the ending of armed conflict the most serious obstacle to poverty reduction has been removed and an opportunity for economic reform and social progress has been created.

Since 1993, the Royal Government of Cambodia has made important strides in re-establishing political and economic stability. Various institutions of the country's governance system have been established and a comprehensive governance reform program embodied in the Governance Action Plan (see Section 3) is now being implemented to strengthen the foundations for sustainable human development. While the private sector remains relatively small, recent economic reform measures are beginning to spur private sector activities and attract foreign direct investment in the service and industrial sectors. Civil society is becoming increasingly visible and engaged. There are now over 400 non-government organizations in the country.

Since the late 1998, Cambodia has achieved high economic growth under a conducive macroeconomic environment. Fiscal revenue has improved, stability in both the inflation rate and the exchange rate have been maintained and are now aligned with IMF's recommendations. However, the Cambodian economy continues to be heavily aid dependent and, despite the absence of reliable data, there are signs that economic growth during the past decade has not produced any significant poverty reduction. Indeed, there are some signs that the situation is worsening – reduced per capita consumption (measured in Riels); fewer public health facilities and rising infant and child mortality; poor education outcomes; increasing population pressure on cultivable land with rising rural underemployment due to labour-force entry of baby boomers and lack of growth in non-farm employment. Increased vulnerability of some, resulting in part from Cambodia's war legacy and the threat posed by the HIV/AIDS epidemic, are also important factors for poverty in Cambodia.

The critically affected economic prospects following the anti Thai riots and SARS situation in early 2003 as well as the political impasse following the national elections in July 2003, has demonstrated that the Cambodian economy remains vulnerable and the task to rebuild a country shattered by three decades of civil strife in a fragile governance environment with severe capacity constraints remains daunting.

### **3. Description of country-specific problem and challenges in the area of public administration management**

The legacies of decades of war, the Khmer Rouge regime and the accompanying breakdown of society have resulted in several major challenges in Cambodia.

Among these are the abnormal demographic structure and the impact of the genocide on the quality of human resources. While other 20th century genocides were ethnically and/or politically motivated, Cambodia's genocide was mainly ideological and targeted intellectuals, especially teachers, and Buddhist monks who were accused of holding ideas at odds with the isolationist and peasant-oriented revolutionaries. Urban people were turned into farmers and all vestiges of cosmopolitanism and commercialism ruthlessly suppressed. While the decade of Vietnamese occupation resulted in reconstruction of schools and extensive training of professionals and skilled workers (in Eastern Europe), resources for primary and secondary education remained limited. In the 1990s a few former exiles have returned home. However, nearly three decades after the genocide Cambodia still suffers more than many other developing countries from an acute shortage of people with high levels of technical and professional skills. This shortage is a unique feature of Cambodian society that cannot be solved in the short-term.

Furthermore, Cambodia is a country where the reality of the State with a functioning modern public administration is only 10 years or so old. Instead, power structures are based on informal tributary processes, using the State for predatory purposes and resulting in a heavily politicised civil service. The combination of a weak rule of law, and the lack of a tradition of political accountability have created a society in which governance is generally weak and competing parallel regulatory frameworks to the State are well and alive with only few possibilities for the poor to effectively influence policy decisions.

The large influx of foreign money following the arrival of the United Nations Transitional Authority for Cambodia (UNTAC), and the continued high levels of external assistance covering nearly all of the investment budget and important recurrent expenditures in the National Budget have created a heavy burden of coordination on the government as well as massive distortions on the labour market and in the civil service. In other words, below-subsistence salaries force civil servants into pursuing donor-subsidized activities, moonlighting, corruption and other rent-seeking activities which detract from their effectiveness and accountability in carrying out their duties. The low remuneration in the civil service remains a key constraint in reforming public sector management and efficiency in support of overall poverty reduction, and the need for a comprehensive civil service salary reform raising the average salaries to subsistence compatible levels is increasingly becoming apparent. In this context, and where feasible, broadening of the tax revenue base, complemented with improving the administration and enforcement of tax collection, and anti-smuggling initiatives are key considerations as pro-poor sources for raising revenues ahead of tax rate increases. Likewise, civil service downsizing are being advocated by a number of donors such as the World Bank. However, emphasis should not be placed only on downsizing the civil service in order to increase the wages for the remaining as this is politically sensitive and would only provide insignificant payback. In stead or in addition, the issue of tackling the incentive and capacity distortions created by donor supplementary allowances to skilled civil servants needs to be addressed comprehensively as the aggregated donor payments to civil servants involved in nor projects constitute significant indirect budget support.

The challenge of increasing efficiency, transparency and accountability in the Government institutions requires a balanced understanding of the Cambodian reality and sophisticated analysis in order to deal with sensitive issues, and the existing web of formal and informal institutional arrangements that make the main political parties more powerful than the government structures they represent.

#### **4. Analysis of approach taken by UNDP and its partners**

Since the General Elections conducted under the aegis of UNTAC in May 1993, the Royal Government of Cambodia (RGC) has emphasised the importance of the institutional basis of national development. The RGC views the promotion of good governance as an essential pre-requisite to sustainable socio-economic development and social justice. In the pursuit of this overall objective, a Governance Action Plan (GAP) was finalized in January 2001 and serves as the road map to guide the reform process and coordinate the various governance reform initiatives of the Government.

The GAP identifies different categories of reforms where actions are likely to be critical to Cambodia's development over the near and medium-term, involving crosscutting areas where improvements are fundamental pre-requisites for a functioning government and for the basic rules that underlie a robust economy and society: (1) judicial and legal reform aiming at establishing basic rules of fairness and predictability; (2) public finance aiming at providing the financial underpinnings through which all governmental activities must take place; (3) public administration aiming at increasing the effectiveness of government and its employees in carrying out public programs; (4) anti-corruption aiming at establishing the framework of behavioural rules that set standards of probity in economic, social and political life; and (5) gender equity, which is critical to the Government's objectives of poverty alleviation and social justice.

Under this overall framework, the multi-year (1999-2003) National Programme for Administrative Reform (NPAR) outlines three main phases articulated along four axes: (1) strengthening the rule of law; (2) good governance for service provision; (3) enhancing the civil service management; and (4) management of changes. The objectives of the NPAR is to adapt the Administration to the needs and means of the nation and to turn the civil service into an effective partner for the social and economic development of the country and an efficient provider of services to all citizens. The implementation of the four NPAR strategic areas are sequenced in three successive phases: Phase I will target preliminary and priority activities which strengthen the foundation of the public sector; Phase II will involve activities of institutional restructuring, reorganization and corresponding staff redeployment; and Phase III will include activities that rationalize structures and procedures at all levels of Government, and develop competence, responsibilities and efficiency of civil servants through comprehensive capacity building.

To support the overall efforts of the RGC to promote good governance and create an environment for peace, justice and development, UNDP Cambodia has been actively involved with public administrative reform since 1994. In direct support of the NPAR, UNDP has provided assistance to the Council of Administrative Reform (CAR) aiming at:



- (i) Strengthening the capacities of the CAR Secretariat to deal effectively with strategic planning, policy development, donor co-ordination, national consensus building and strategic management of the NPAR programme.
- (ii) Facilitating the implementation of priority reform initiatives and sub-programmes as well as the development of implementation plans.
- (iii) Support to conceptualization and preparation of the Priority Mission Group (PMG) scheme to accelerate reforms and increase the efficiency of public service delivery in priority areas of government administration<sup>1</sup>.

In this respect, a number of noteworthy results have been achieved in support of the consolidation of the public service foundations in areas such as establishing a new classification and remuneration regime, preparing the Priority Mission Group (PMG) scheme, human resource management and development, preparation of tools for organisation of the work within the administration, and capacity development of the CAR Secretariat. However, overall progress in the public administrative reforms has been severely constrained by many factors leading to a decision to review UNDP's PAR/CSR activities as will be elaborated in sections five and six below.

Based on a productive partnership with the government as well as other donors, UNDP has and is also playing a leading policy definitional role in the area of decentralization in support of the government's SEILA2 programme being the successor to the Cambodia Area Rehabilitation and Regeneration (CARERE) projects from 1991-2000. The SEILA programme is a national effort to achieve poverty alleviation through improved local governance. It is the collective responsibility of an inter-ministerial body, the SEILA Task Force (STF), and has included a gradually increasing number of provinces since 1996

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<sup>1</sup> The PMG approach aims at promoting results-based management and capacity development within a systematic and transparent setup, by providing financial incentives to teams of government officials based on their performance in predefined key sectors of reform.

<sup>2</sup> SEILA is a Khmer word meaning '*foundation stone*'. Drawing from the experiences of CARERE1, the SEILA program with the support of CARERE2 was established in 1995 as a pilot experiment in decentralized planning, financing and management of rural development to support the Royal Government of Cambodia's (RGC) strategy for rural development. Starting in 1996 with the pilot implementation of local level planning and investments in 4 communes in 2 provinces, the SEILA program has since expanded progressively in geographic scope and coverage. Today, SEILA covers all of Cambodia's 24 provinces comprising 1,621 communes. With the support of the multi-donor PLG project, SEILA has evolved as the RGC's platform for implementing its decentralization reform program.

reaching full national coverage in 2003. UNDP is also contributing to improving participatory local governance for socio-economic development and poverty alleviation in Cambodia through the development and implementation of policies and strategies that enhance the capacities of local stakeholders.

Finally, a number of other development partners in Cambodia are involved in public administrative and civil service reform. Many donors are involved directly in sector specific reforms such as WHO in health and UNICEF in education. Some of these activities are also relevant for the sector wide initiatives, including operational reviews and the studying and testing of alternative service delivery mechanisms. Other donors like the ADB and the IMF are engaged in improving the overall macroeconomic, fiscal and monetary frameworks for expenditure management. And a number of donors are directly engaged in activities relating to overall public administrative and civil service reforms. This includes the World Bank that has provided significant support to specific activities such as conducting a civil service census and the creation of an automated payroll database. The World Bank is also involved in a comprehensive study programme on selected areas such as the labor market, and in designing and preparing an economic and public sector capacity building programme involving extensive training and establishing a learning/training centre. A number of bilateral donors such as the French and Australian governments are also providing targeted assistance to public sector reforms. This includes support for developing a human resource development policy.

In Cambodia, the policy dialogue between the government and its main national development partners is organized under the Consultative Group (CG) mechanism and is centered around nine benchmarks: 1) key components for enacting legal and judicial reform in place; 2) visible actions taken to fight corruption; 3) coverage of implementation of Procurement Sub-decree (1995) extended; 4) forest concession system rationalized on basis of sustainable forestry management plans; 5) legal framework for community-based natural resources management strengthened; 6) budgetary disbursements to social sectors improved; 7) declared actions to support HIV/AIDS prevention implemented; 8) civil service reform plan updated consistent with Medium Term Expenditure Framework; and 9) revenue mobilization strengthened through broadening collection of taxes and fees.

To support the policy dialogue and monitor progress on the implementation of the benchmarks, a number of donor and government working groups have been established for governance, including demobilization, the social sector, natural resources management, fiscal reform and public administration. The working groups report to the annual CG meeting. UNDP is co-chairing the PAR Working Group and have been facilitating the dialogue on the monitoring of the benchmarks and the coordination of support to the government between different donor activities. The benchmarks have proved valuable to develop sector specific

progress indicators and focusing the policy dialogue on reform bottlenecks and under/over funding of particular areas.

❖ **What are the priority sectors of the 2016 budget?**

I want to emphasise that the budget is the government's tool to implement policies and provides a financial means to carry out the various policies stated in the government's political program. Therefore, the budget has to serve the government's policies, and the policies for this fifth legislature have been clearly written in a number of important documents; the most important being the **third phase of the Rectangular Strategy**.

The government has outlined a **five-year national development plan** with the purpose of implementing prioritised policies stated in its policy program. The budget allocations serve some of Prime Minister Hun Sen's major policies: **roads, water, electricity and people**. The prime minister always said those four priorities are vital and long-term, but how any priority switches to being the first, the second, or the third depends on the actual circumstance and needs within each legislature.

In **this legislature, the people are considered to be the first priority**, though that does not mean roads, water, and electricity are not important. They are important, but people come first.

❖ **What does putting people as first priority really mean?**

There are two facets to this. One is that we focus on improving the people's livelihood and the productivity of civil servants of all levels and ranking, especially those with low salaries by providing raises to all government officers and members of the Armed Forces. The second is that we focus on building the nation's human resources, which are deemed vital for implementing the government's policies.

With this in mind, the government focuses on three main ministries: the Ministry of Education, Youth and Sport, the Ministry of Labour and Vocational Training, and the Ministry of Health. We put high priorities on these ministries in our systematic expense.

Basically, the social sector has been prioritised since 2013. The increase in this systematic expense can be seen through the data in proportion to the GDP. In 2013, the social sector, including the three main ministries, received a budget of 4.2 per cent of GDP. This number has increased, and the 2016 budget shows it at 5.2 per cent of GDP.

## **5. Possible linkages with other areas of intervention (gender, HIV/AIDS, poverty, environment)**

Most of UNDP's other areas of intervention all have a bearing on the support to public administrative and civil service reform and vice versa. This includes specifically support to strengthen both legislative and judicial institutions in addition to other forms of reform for the executive institutions such as macroeconomic and fiscal policy reform. Empowering the other branches of government is essential to make Cambodia's executive institutions more transparent and accountable while creating a new culture of checks and balances that is based on rights and obligations.

Within the RGC's governance reform agenda, UNDP is providing support to the capacity development of the Parliament and Senate with a view to strengthening parliamentary legislative and oversight functions as an effective counter balance vis-à-vis the executive in the policy making process. This includes capacity development for MPs and enhancing efficiency of parliament's administration and procedures.

Additionally, UNDP is supporting the RGC's efforts in increasing the capacity of the judiciary and the courts to act independently, uphold the rule of law and ensure equity and access to justice. This has mainly been done in partnership with the Office of the High Commissioner for Human Rights (OHCHR) through guiding and training of judges and court staff. In addition, discussions are ongoing on how UNDP can support Cambodia's legal and judicial reform (LJR) by building constituencies to advocate for the advancement of LJR, develop capacities within key actors and institutions of the reform process, and mobilize resources from the international community to support the government in cooperation with the Office of Legal Affairs of the UN Secretariat to effectively host and operate the Extraordinary Chambers.

Finally, via a regional programme on the macroeconomics of poverty reduction, UNDP supports the development of the government's overall capacity to formulate and implement sound pro-poor macroeconomic policies in the fiscal and monetary areas and to manage public finances more effectively. This also provides supports to the government in its deliberations with the International Financial Institutions, including in relation to civil service salary reform.

## **Conclusion**

UNDP's institutional capacity development support for public administrative reform has targeted both top-down strategic reform planning as well as decentralized reform

implementation. At the same time, one of the overall conclusions currently being reviewed in the CO following the recent operational closure of the public administrative reform project is the need to integrate both more coherently as will also be discussed in the next section. Below, lessons learned from both PAR and decentralization will be discussed as they relate to each other. However, as the lessons learned overlap conceptually, they are difficult to separate textually too.

Overall, while the public administrative reform project was originally designed to match UNDP's niche in public administrative reforms, the lack of buy-in from other donors, and the lack of careful coordination vis-à-vis other reform areas contributed to a loss of focus, dispersed activities and weak linkages to other activities. Some of these shortcomings derive from the original design and the ambitiousness of the project's Immediate Objectives [old terminology] that were not matched sufficiently by the envisioned outputs, nor matched by the resources mobilized, and not sufficiently positioned vis-à-vis other reform areas like public finance.

- Strategic constituency building is crucial to generate support for and manage complex systems change processes.
- PAR needs to be flexibly linked to the broader reform process.
- PAR is a long-term and inherently political process that can be guided and informed - PAR and decentralization must be organised to reinforce each other.

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