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REPORT ON THE PERFORMANCE ASSESSMENT SYSTEM FOR ALLOCATION OF PB-CR GRANTS OF LGCC PROJECT



November, 2012

The PBCR Grant Assessment Was Organized by LGCC M&E Team (UNCDF and NCDD)



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Introduction

Local Governments and Climate Change (LGCC) is a project implemented by NCDD with technical assistance from UNCDF. LGCC is designed and implemented within the framework of the “Local Climate Adaptive Living” (LoCAL) programme being piloted by the Asia Pacific Regional Centre of UNCDF. As such, Cambodia becomes one of the first countries to pilot the LoCAL approach, together with Bhutan. Further pilots are in the design phase in Laos and in the Solomon Islands and discussions on extending the program to the Africa region are under way. LGCC is funded by a \$US 250,000 grant from the Cambodia Climate Change Alliance (CCCA) Trust Fund and by \$US 50,000 from UNCDF core resources for the initial 15 month project.

Under the agreed MoU of LGCC 1, the target beneficiary (02 districts and 01 municipality) in Takeo need to be assessed their Performance Based Climate Resilient Grant (PBCR) compliant. This assessment would be the basis for the PBCR grants allocation in the following year for the target districts and municipality. To precede this, a joint technical team would be formed and comprised of NCDD (National Coordinator, Finance Unit and M&E unit), UNCDF (National Technical Specialist) and Takeo (LGCC focal point). It was suggested that this is a learning process, thus the technical team should identify the existing indicators provided in MoU, which are very simple and measurable.

The rationale behind opting for a performance-based grant mechanism is to provide incentives for the targeted local governments (subnational administrations in the case of Cambodia) to adopt good governance practices in general, and in this case, start addressing some of the climate change adaptation challenges facing local communities. This is achieved by:

1. Linking the access to climate change adaptation grants to the compliance with a set of (process) requirements (Minimum Conditions - MCs), and
2. Adjusting the size of the grant on annual basis, to account for the actual performance of the concerned local governments in pre-determined areas (Performance Measures - PMs).

Indeed, linking the level of fiscal transfers that Local Governments (LGs) can access through their performance provides them with incentives to improve the way they operate in a wide range of public resources management areas (such as planning, budgeting, budget execution, transparency and accountability, financial management/procurement,) as well as in cross-sectoral areas (such as climate change adaptation)

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Performance measures (to be used for adjusting the size of the CCA grant) shall include a combination:

- Indicators of generic performance: traditional local public resources management and good governance practices
- Indicators specific to climate change adaptation performance.

1. Public Resources Management Performance

These indicators are intended to capture and assess the performance of target local governments in adhering to the prescribed rules, regulations, processes and procedures as well as adopting good governance practices in the administration of their affairs - particularly in the following areas: participatory planning and budgeting, cash management, accounting and financial reporting, internal control and procurement, project design and implementation, transparency and accountability, allocative efficiency (allocating resources to peoples needs).

2. Climate Change Adaptation Measures

The measures are intended to assess the effort deployed by the subnational administrations to adopt good climate change adaptation practices and raising awareness among local communities on the climate change adaptation challenges.

3. Bonus Points for Honest and Accurate Self-Assessment

This indicator is intended to capture quality of Self-Assessment that D/M administration conducts performance self-assessment honestly and accurately encouraging good governance from the very beginning.

Objectives

1. Assessing LGCC districts/municipality participating in PBCR implementation
2. Document lesson learned from the PBCR assessment process

PBCR Assessment Process

1. National Technical Meeting

Prior the field check, the national technical team including UNCDF (national technical specialist, international planning, IP3 policy and M&E advisers, and NCDSDS (national project coordinator, finance official, M&E officers) had discussions on the methodology and how to do assessment and simplify the existing PBCR indicators and to develop monitoring form (Appendix 1). The meeting was held on 26th September, 2012 at LGCC/NCDSDS office.

2. Self-Assessment



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After the PBCR indicators and formats were simplified and developed, they were sent to all participating D/M administrative (Daunkeo, Boreichulsar and Bati) for making the self-assessment. The deadline for completing the form were set and notified. Once the participating D/M received the forms, they called for meetings to discuss how to response to the set indicators, to collect all required documents and evidence and to put the scores for their respective sectors. In the D/M meeting the D/M governors, D/M councils, D/M planning team, D/M IP3 advisers participated. They also did field check at the project sites and interviews with local beneficiaries to check the quality of the project and their opinions on the project's interventions. Once the PBCR indicators form were scored , completed and endorsed by the D/M governors (Appendix 2), they were sent to the national technical team for verification.

3. Field Verification

Up on receiving and verifying the completed forms sent by the participating D/M, the National Technical Team conducted field visits from 24th to 26th October, 2012. The team was comprised of UNCDF (National Technical Specialist) and NCDD (National Project Coordinator and Finance and M&E division) and provincial team (Infrastructure and financial advisers and LGCC facilitator) representatives. The mission was done through two respective meetings including field visits to project sites. The first meeting was held with the provincial team to inform them of the purpose of the PBCR assessment and to make sure that the process is well coordinated. This meeting had participation from the IP3 director, Provincial Program Management Advisers, Infrastructure and Financial Adviser, LGCC facilitators and mission team. The following meetings were held in each D/M respectively. These meeting were to discuss and verify each indicator and evidence and proofing for support the scoring. In these meetings the deputy D/M governors, D/M councils, D/M administrative directors, D/M planning team, Commune/Sangkat support officers, D/M adviser, Finance/Admin officers, Women and Children focal persons participated. For the site visit, the mission team had selected one or two projects in each D/M to check the detailed scheme and specification of the project in order to verify the quality of construction and building. At the same time, some of the mission team had met and interviewed local beneficiaries to hear their view on the project's benefits and quality and to hear more about what type of knowledge they had gained in regards to Climate Change intervention from the project.

Findings

There are three main performance indicators to be used for assessing the PBCR compliant of the target D/M administrations. There are specific areas and the indicators falls under these main performance indicators together with the scoring weight for each indicator. As results, the following findings are shown:

1- Public Resources Management Performance

In this performance indicator, there are three areas that need to be assessed. This includes:



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a- Planning and Budgeting:

The District/Municipality Development Plan of the target D/M has been approved by the D/M Councils and records showed that at least 25% of the households were represented in the participatory planning meetings (Step 1 of CIP) in 2012. The update of D/M Investment Programme has been completed up to Step 1. To proof this, each target D/M administrations have showed the mission team members the minutes of D/M councils, records of all CIP processes including list of village/household participations. To proof this, each target D/M administration had shown all relevant D/M Finance Unit records and financial statements to the mission team and these records are kept in the D/M administrations.

b- Accounting and Audit:

It is found that the D/M Finance Units of each target D/M administration records of expenditures are reconciled with provincial treasury records and that the reconciliations were carried out within past 6 weeks and discrepancies corrected if needed. As for their financial statements, they were fully prepared as per the established format and schedule. However, it was found that there is still capacity limitation of D/M official who are responsible for the financial sector that needs to be addressed. More capacity development is needed in financial management and documentation. At D/M office, they are still working and recording financial procedures manually, even accounting works.

c- Accountability and Transparency:

Actually the D/M Development Plan have been effectively disclosed to the public. In each D/M they had distributed to all relevant stockholders and line departments and offices within their location including NGOs and Development Partner for the sake of fund raising and resource mobilization to support their D/M development Plan. Beside that each D/M have available extra copies of the D/M development plan in their office for the public to access. However, it is noted that in each target D/M administration there were only academic students and some NGOs that come to access for their thesis study and project purposes. Further to this, each D/M had another specific additional measure taken to disseminate D/M Plan through the provincial integration workshop but this workshop were organized by provincial department of planning and all minutes record were kept in the department.

The Councils of each D/M had held their meetings regularly based on their agreed schedule. In this respect, all target D/M council had already conducted 09 times of the council meetings. However, even though the council meetings are open for the public and every time, local citizens were invited to join but each D/M administration, said that there were no participation from any local citizen(it was assumed that citizen might not interesting in participated in D/M meeting rather than at commune levels or it might be the minute/report format itself not including about citizen need). That's why it was hard to see any opinions and suggestions written in the council minutes, except for progress or quarterly records/report made by the D/M or in the women & children progress report (in Boreichulsar) that provide some sentences related with suggestions and views taken from local citizens and it was also



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found in one window service office report (Daunkeo) that showed a citizen concerns. Each D/M administration had claimed similarly that even though there are missing views of local citizens in the records, but of course, if we are relying on the process how council work through public meeting at commune/sangkat levels, we can be clear that there were suggestions, recommendations and requirements from the local citizen brought up through their representatives. Those are well recorded and taken into the D/M council meeting agenda. For this reason there are proves and some reliable evidence, so the national team have discussed and agreed to give full score to each D/M on this indicator, given that this is a learning process and we do expect that D/M administrations will improve afterwards, especially in relation to documentation and promotion of local participation.

2. Climate Change Adaptation and Use of PB-CR Grants

a- Climate Change Resilience:

VRA has been conducted in at least 3 Communes/Sangkats. Based on the VRA results, each D/M Climate Change Adaptation Strategy has been prepared with C/S representatives present and they has been approved by the D/M Council. In terms of % of co-financing from the C/S Fund of the infrastructure projects supported by PBCR grants in the District/Municipality in 2012, it was found that only Boreichulsar district had contributed with their own resources from the commune investment fund to the CCA infrastructure project with more than 50% while Daunkeo municipality had contributed with its own resources lower than 25% and used 100% from PBCR grant for Bati district.

All CCA infrastructure projects in each target district/municipality had been recorded in the Project Information Database (PID). To do this, in order to show that PBCR-grant infrastructure projects have compliance with safeguards and procurement rules. Further to this, each target administration had done the quality of project implementation through field visits and discussions with beneficiaries. In this regard, each administration could evaluate and provide only the rate of the quality as satisfactoriness (1 point) due to there are some points that need to be improved, especially the quality of the infrastructure projects.

Each target administration had confirmed that through the whole process, local citizens (in addition to CC and village authorities) were involved in the preparation and implementation of PBCR grant funded activities. Through the field cross checking, the national technical team had selected some local beneficiary families to interview and as results we have found that local citizens were recalled to join implementation in project preparation activities and also that they are well aware that the project had really contributed to climate change resilience. To give an example, one household in Baray sangkat (Dounkeo municipality) where the CCA-related water gate project is located they raised that they were so happy to have such a CCA project intervention, because they expect that there will be enough water source to supply their paddy field during the drought period and this will allow them to cultivate rice that would improve their food security and livelihood.



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At the commune levels, there is a project management committee and among its member, they had assigned a M&E focal point for doing regular-basis project monitoring and they always recorded all their monitoring activities and findings in the construction site record book and in the field progress report.

3. Bonus Points for Honest and Accurate Self-Assessment

Quality of Self-Assessment:

Through our field verification the national team have learnt that most of the D/M administration conducts their performance self-assessment in an honest and accurate manner. As the results, the total scores of each D/M coming from self-assessment by excluding bonus points were 20; 20; 20 in Daunkeo; Boreichulsar and Bati respectively while the total scores coming from national team assessment were 21; 22 and 19 in Daunkeo, Boreichulsar and Bati respectively (See Table 1 and Figure 1). However, due to the fact that this is a learning process and to the limitation of understanding from sub-national team, there was some different scoring between the national team and sthe ub-national team over the self-assessment. This happened only in Boreichulsar district where they had scored total 20 points while the national team had scored 22 points. Therefore this district could not get full score (2 points) in this performance indicator while the other two target areas have a full score.

Table 1: Summary of Scoring Assessing by D/M and National Team

Performance Measure	Points available	D/M Self-Assessment			National Team Assessment			Evidence
		Daunkeo	Borei chulsar	Bati	Daunkeo	Borei chulsar	Bati	
1. Public Resources Management Performance	12	11	11	11	12	12	11	Yes
2. Climate Change Adaptation and Use of PB-CR Grants	11	9	9	9	9	10	8	Yes
Sub-total	23	20	20	20	21	22	19	
3. Bonus Points for Honest and Accurate Self-Assessment	2	0	0	0	2	1	2	Yes
Total Points	25	20	20	20	23	23	21	



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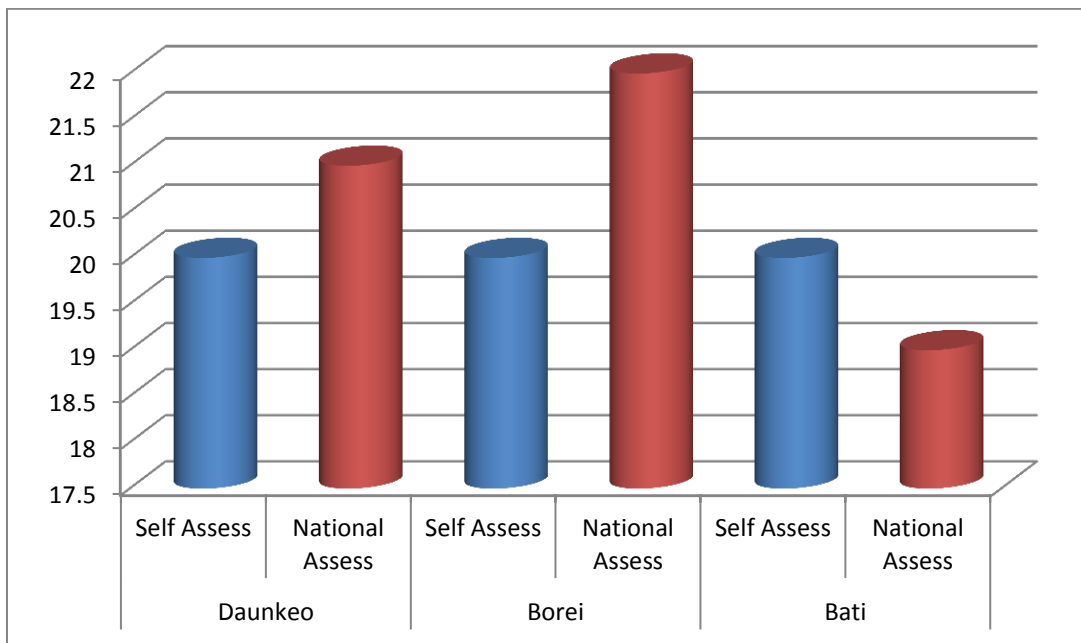
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Figure 1: Different of Scoring between Self-Assessment and National Team Assessment





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Challenges

The following key challenges were identified during the assessment process and they need to be addressed for the next assessment if it is possible:

- Limitation of time for both national and sub-national team to review and understand fully the how to set assessment indicators. To deal with this, an orientation meeting should be provided for sub-national team for facilitating the assessment process.
- Few beneficiary household were elected for interviews may cause inaccurate assessment during project site visits
- Limitation of documentation at D/M administrations
- Limitation of national technical team to do this first assessment

Lesson Learned

- This is a learning process that would allow both national and sub-national team to make experiences valuable for improving their M&E capacity in assessing PBCR grant the following year.
- This process would benefit NCDDs in decisions how to allocate PBCR grant in an accurate and fare way to the participating SNAs.
- This process could be a role model for other stakeholders or NGOs or Development Partners who are interested in applying similar PBCR grant in Cambodia context.

Conclusion

Through the intensive PBCR assessment process and based on the findings, a major conclusions is that all the participating D/M administrations of the LGCC project in Takeo have been using the PBCR grant on the right track in an effective manner. Even though, there are some challenges and limitations of capacity of the sub-national team in the LGCC project implementation, but with their strong commitment and high contribution, they have made it happened, especially all CCA project designs, procurements, and other project related activities have been complied and aligned with PIM and existing NCDDs system including financial procedures. Further to this, with the PBCR intervention, most of the local beneficiaries who benefits from LGCC project have expressed their satisfaction over the outputs provided by the projects. They appreciate the projects and commit themselves to continue to support LGCC not only at this point but also in the future. Finally, the PBCR Performance Assessment really provide crucial benefits to the project team to see the challenges and effects of PBCR grant implementation at the field level and also allow project intervention that is responsive to the needs of the local community who is affected by Climate Change. It is a strong suggestion that such assessment should happen every year and in every LGCC target area.



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Appendix 1: PROPOSED PERFORMANCE ASSESSMENT SYSTEM FOR ALLOCATION OF PB-CR GRANTS, OCTOBER 2012

1. Public Resources Management Performance

Area	Performance Measure	Scoring	Points available	Evidence
Planning and Budgeting	The District/Municipality Development Plan has been approved by the D/M Council	Minimum condition	0	Minutes of Council Meetings
	Records show at least 25% of households represented in participatory planning meetings (Step 1 of CIP) in 2012	CIP Step 1 records available for at least 90% of villages in the District: 1 point Total participation represents at least 25% of hh in District / Municipality: 1 point	2	Records of CIP process
	Update of D/M Investment Programme has been completed up to Step 1	Step 1 complete: 1 point	1	Records of DIP process
Accounting and Audit	D/M Finance Unit records of expenditures are reconciled with Treasury records	Reconciliation carried out at least once: 1 point Reconciliation carried out within past 6 weeks and discrepancies corrected if needed: + 1 point	2	D/M Finance Unit records
	Financial statements are prepared as per the established format and schedule	(Need to check what is required format and schedule) Fully compliant: 2 points Partially compliant: 1 point	2	D/M Finance Unit records
Accountability and Transparency	D/M Development Plan has been effectively disclosed to the public	D/M Plan is available for inspection by members of the public: 1 point Specific additional measures taken to disseminate D/M Plan (e.g. D/M Forum): +1 point	2	(1) Copy is available; (2) records of activities
	Council Meetings held regularly	4 – 6 meetings in 2012: 1 point At least 7 meetings in 2012: 2	2	Council Minutes



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	points		
Council meetings are open and local citizens can express their views	Citizens' attendance recorded in minutes (at least 2 separate meetings): 1 point	1	Council Minutes
Total Points Available:		12	

2. Climate Change Adaptation and Use of PB-CR Grants

Area	Performance Measure	Scoring	Points available	Evidence
Climate Change Resilience	VRA has been conducted in at least 3 Communes/Sangkats	Minimum Condition	0	Records of VRA
	A D/M Climate Change Adaptation Strategy has been prepared with C/S representatives present and has been approved by the D/M Council	Minimum Condition	0	Council Minutes
	% of co-financing from C/S Fund of the infrastructure projects supported by PBCR grants in the District/Municipality in 2012	25%-50%: 1 point > 50% : 2 points	2	PID data
	PID data on PBCR-grant infrastructure projects shows compliance with safeguards and procurement rules	Data on all PBCRG projects entered in PID: 1 point Data demonstrates compliance with safeguards: +1 point Data demonstrates compliance with procurement rules: +1 point	3	PID data
	Quality of project implementation (based on field visits and discussions with beneficiaries)	Very good: 2 points Satisfactory: 1 point Not satisfactory: 0 points	2	Field inspection and discussions with beneficiaries
	Local citizens (in addition to CC and	Local citizens recall joining in project preparation activities:	3	Discussions with local citizens



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	village authorities) were involved in preparation and implementation of PBCR grant funded activities	1 point Local citizens recall joining in implementation activities: 1 point Local citizens are aware that the project contributes to climate change resilience: 1 point 1 point		
	C/S Council monitors project implementation	During project implementation M&E committee monitors according to plan	1	C/S Council records (for sample projects)
Total Points Available:			11	

3. Bonus Points for Honest and Accurate Self-Assessment

Quality of Self-Assessment	D/M administration conducts performance self-assessment honestly and accurately	Final score is equal to or +/- 1 point compared to self-assessment: 2 points Final score is +/- 2 points or +/- 3 points compared to self-assessment: 1 point	2	Compare self-assessment and team assessment
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4. Summary:

Public Resources Management: Maximum 12 Points

Climate Change Adaptation: Maximum: 11 Points

Honest and Accurate Self-Assessment: Maximum 2 Points

Total: Maximum 25 Points



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Appendix 2: Summary of total scoring given by self-assessment and national technical team

Area	Performance Measure	Scoring	Points available	D/M Self-Assessment			National Team Assessment			Evidence
				Daunkeo	Borei chulsar	Bati	Daunkeo	Borei chulsar	Bati	
1. Public Resources Management Performance										
Planning and Budgeting	The District/Municipality Development Plan has been approved by the D/M Council	Minimum condition	0	0	0	0	0	0	0	Minutes of Council Meeting
	Records show at least 25% of households represented in participatory planning meetings (Step 1 of CIP) in 2012	CIP Step 1 records available for at least 90% of villages in the District: 1 point Total participation represents at least 25% of hh in District / Municipality: 1 point	2	2	2	2	2	2	2	Records of CIP process
	Update of D/M Investment Programme has been completed up to Step 1	Step 1 complete: 1 point	1	1	1	1	1	1	1	Records of DIP process
Accounting and Audit	D/M Finance Unit records of expenditures are	Reconciliation carried out at least once: 1 point	2	2	2	2	2	2	2	D/M Finance Unit records

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	reconciled with Treasury records	Reconciliation carried out within past 6 weeks and discrepancies corrected if needed: + 1 point								
	Financial statements are prepared as per the established format and schedule	(Need to check what is required format and schedule) Fully compliant: 2 points Partially compliant: 1 point	2	2	2	2	2	2	2	D/M Finance Unit records
Accountability and Transparency	D/M Development Plan has been effectively disclosed to the public	D/M Plan is available for inspection by members of the public: 1 point Specific additional measures taken to disseminate D/M Plan (e.g. D/M Forum): +1 point	2	1	2	2	2	2	2	(1) Copy is available; (2) records of activities
	Council Meetings held regularly	4 – 6 meetings in 2012: 1 point At least 7 meetings in 2012: 2 points	2	2	2	2	2	2	2	Council Minutes
	Council meetings are open and local citizens can express their views	Citizens' attendance recorded in minutes (at least 2 separate meetings): 1 point	1	1	0	0	1	1	0	Council Minutes



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Total Points Available:			12	11	11	11	12	12	11	
2. Climate Change Adaptation and Use of PB-CR Grants										
Climate Change Resilience	VRA has been conducted in at least 3 Communes/Sangkats	Minimum Condition	0	0	0	0	0	0	0	Records of VRA
	A D/M Climate Change Adaptation Strategy has been prepared with C/S representatives present and has been approved by the D/M Council	Minimum Condition	0	0	0	0	0	0	0	Council Minutes
	% of co-financing from C/S Fund of the infrastructure projects supported by PBCR grants in the District/Municipality in 2012	25%-50%: 1 point > 50% : 2 points	2	1	1	0	1	2	0	PID data
	PID data on PBCR-grant infrastructure projects shows compliance with safeguards and procurement rules	Data on all PBCRG projects entered in PID: 1 point Data demonstrates compliance with safeguards: +1 point Data demonstrates compliance with procurement rules: +1 point	3	3	3	3	3	3	3	PID data
	Quality of project	Very good: 2 points	2	1	1	2	1	1	1	Field inspection and

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	implementation (based on field visits and discussions with beneficiaries)	Satisfactory: 1 point Not satisfactory: 0 points								discussions with beneficiaries
	Local citizens (in addition to CC and village authorities) were involved in preparation and implementation of PBCR grant funded activities	Local citizens recall joining in project preparation activities: 1 point Local citizens recall joining in implementation activities: 1 point Local citizens are aware that the project contributes to climate change resilience: 1 point	3	3	3	3	3	3	3	Discussions with local citizens
	C/S Council monitors project implementation	During project implementation M&E committee monitors according to plan	1	1	1	1	1	1	1	C/S Council records (for sample projects)
Total Points Available:			11	9	9	9	9	10	8	
3. Bonus Points for Honest and Accurate Self-Assessment****										



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Quality of Self-Assessment	D/M administration conducts performance self-assessment honestly and accurately	Final score is equal to or +/- 1 point compared to self-assessment: 2 points Final score is +/- 2 points or +/- 3 points compared to self-assessment: 1 point	2	0	0	0	2	1	2	Compare self-assessment and team assessment
Total Points Available:			2	0	0	0	2	2	2	
Grand Total			25	20	20	20	23	24	21	

***Note: This indicator is scoring by national team to assess the honest and Accurate Self-assessment



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Appendix 3: Photo Gallery of Field Assessment Mission

