Draft

Royal Government of Cambodia
Council for Administrative Reform

PRIORITY OPERATING COSTS

IMPLEMENTATION GUIDE

June 2010

Prepared by the Steering Committee to Review and Resolve Salary Supplement within the Framework of Financing Cooperation

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Draft for Discussion
29th June 2010

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Acronyms

CAR	Council for Administrative Reform
DSA	Daily Subsistence Allowance
HRD	Human Resources Development
HRM	Human Resources Management
MEF	Ministry of Economics and Finance
NPAR	National Program for Administrative Reform
NSDP	National Strategic Development Plan
PAR	Public Administrative Reform
PMAS	Performance Management and Accountability System
POC	Priority Operating Costs
RGC	Royal Government of Cambodia
ToRs	Terms of Reference
TWG	Technical Working Group

This guide was developed to assist ministries, institutions and their development partners to establish, manage and monitor POC schemes to support programs or projects within the framework of development cooperation. The guide will be reviewed and updated in light of experience and comments from users.

A. What is POC?

1. Definition:

Priority Operating Costs are lump-sum payments to public servants who are selected to work in the framework of development cooperation. POC payments will end when the expected results are met or the development cooperation program or project ends.

POCs payments are not salary or salary supplements.

2. Objectives:

The objectives of POCs are to:

1. Ensure continuity in the delivery of public services in NSDP priority sectors in a framework of Cambodian ownership and leadership;

2. Meet implementation conditions of the Royal Government;

3. Facilitate the harmonization and alignment of practices by development partners;

4. Facilitate the implementation of NPAR related reforms, including reforms relating to HRM, HRD and compensation.

3. General Principles:

1. POCs will be based on the following principles:
   - *equity* – implementation will be fair within and among administrative units
   - *unity* – implementation will avoid to create divisiveness within and among units
   - *sustainability* – increased organizational capacity will be sustainable
   - *merit* – selection of appointees will be based on qualifications to do the job
   - *motivation* – the scheme will provide means to appointees to do their work efficiently in a spirit of ownership and leadership;
   - *transparency* – management and monitoring information will be readily available
   - *performance* – management will be result based and payments will be made against achievements

2. Recipients of POC payments may be individual civil servants or units/teams within ministries and institutions which implement priority programs, projects or activities of the Royal Government in the framework of development cooperation supporting NSDP priorities;

3. The selection of POCs appointees shall be based on terms of reference, transparent, merit based and equitable. Appointments will be confirmed by Prakas of the concerned ministries;

4. Payments of POCs include are monthly lump-sum payments based on outputs or results in support of priority programs, projects or activities and shall be coordinated and harmonized according to agreed standards for specific types of payments;

5. The management of POCs shall be merit based and transparent using terms of reference for positions of individuals, teams or units; specified service delivery targets; and, contracts between recipients and their managers; in this regard, the recipient of POC is under the direct supervision of the ministry or institution and continue to be employees of the ministry and their relationship with development partners is one of partnership.

B. The POC Instrument

1. Definitions

POC Instrument	The POC instrument is an interim / transitory instrument that supports implementation of programs or projects within the framework of development cooperation in a manner that balances equity and performance. The POC instrument will be regulated through decisions of the Royal Government and these implementation guidelines.
POC Schemes	POC schemes refer to individual POC that are established through a, terms of reference, management contract and implementation agreement in accordance with these guidelines. There can be more than one POC scheme within one ministry/sector. However, it is anticipated that over time these would be merged into one POC scheme.
POC payments	POC payments are payments (usually monthly) that POC appointees receive under a POC scheme. Each staff member can only be appointed to one POC scheme at a time and only receive one POC payment at a time. POC appointees continue to receive normal government salary and benefits.
POC Scheme Positions	POC scheme positions are positions specifically created as part of a development program or project that is supported by a development partner(s) within the framework of development cooperation.
Terms of Reference	The Terms of Reference describe the purpose of the POC scheme, the scope, objectives and expected results, the proposed structure and costs of the scheme
Management Contract	The Management Contract details the agreement between the ministrhy or institution and the program director regarding the scope, structure, expected results, duration and conditions of the POC scheme.
Implementation Agreement	The Implementation Agreement details the agreement between the Royal Government as represented by the ministry, MEF and CAR, and concerned development partners on the implementation of a POC scheme including such issues as funding, management, reviews and audits, and the duration of the agreement.
Personal Service Contract	Personal Service Contract between the Program Director and individual POC appointees specifies the terms and conditions of the appointment to the POC scheme, including expected results for which the appointees is responsible and the duration of the contract
Performance Management and Accountability System	A performance management and accountability system is a system to support the management and appraisal of units or appointees' work activities to achieve the mission and objectives of the POC scheme

2. Key Operating Characteristics

1. POC schemes are to be established and managed according to three core principles: harmonization, alignment and adjustment; in order to reach an appropriate balance between performance and equity.

2. Adjustment is defined as the mechanism through which the POC instrument and POC schemes will enhance transparency, equity and unity within the Public Service and will optimize the use of available funds from development partners. Modalities of the mechanism will be finalized as soon as possible before the end of the year for early implementation following the launch of the POC. The Implementation Agreement of individual POC scheme will include a commitment by signatories to implement adjustment modalities once finalized.

3. Article 3 of the Sub-Decree on Establishment and Implementation of the Priority Operating Cost (POC) within the Framework of Development Cooperation states that "the POC is not a salary or a salary supplement". A salary supplement is a payment made to a civil servant to supplement his/her civil service salary to perform ongoing normal job requirements of positions within a ministry or institution. POCs are payments associated with work in the context of development cooperation.

4. In the context of development cooperation programs, development partners cannot finance any operating costs to civil servants outside the POC instrument unless legally regulated by the Royal Government of Cambodia. Individual civil servants can only be appointed to one POC scheme at a time.

5. Over time, there should be only one POC scheme within any ministry or institution. In the meantime, there may be more than one POC scheme in any one ministry or institution as determined by agreements between ministries/institutions, their development partners, the CAR and MEF.

6. The establishment of a POC scheme requires: management contract, position descriptions, merit based selection, work plans, personal service contracts, and a system to manage performance and accountability.

7. The Program Director will be appointed early in the process to facilitate the structuring of the POC scheme and the development of the management contract to meet the requirements of the program or project to be supported.

8. The Program Director will be held legally accountable for the management of the POC scheme and personally responsible for any transgression or corrupt acts in the selection of POC scheme appointees.

9. The payment grid provides a range of lump-sum payments for different types of positions within development programs or projects supported by development partners.

10. POC scheme appointees receive POC payments associated with their work within the POC scheme management contract and their POC scheme job descriptions. Payments to POC scheme appointees will be managed by the Program Director and will be based on the POC payments grid. Appointees may receive DSA consistent with Sub-Decree 10 or honoraria.

11. Payments will be made directly to POC scheme appointees' bank accounts, on a periodic basis, usually monthly, on condition that expected results specified in personal service contracts are met, and payments will be duly recorded for audit purposes.

12. Payments cease when the expected results are met or the development cooperation program or project ends.

13. Ministries and institutions will be responsible for the establishment, management and monitoring of POC schemes within their jurisdiction. CAR and MEF will be responsible for approving the POC scheme implementation agreement. CAR will be responsible for monitoring the effectiveness of the POC instrument.

C. POC Scheme Process

I. Establishment

1. Define POC Scheme Terms of Reference
2. Define POC Scheme organization structure and management processes
3. Finalize POC Scheme Management Contract
4. Seek final approval
5. Sign implementation agreement document
6. Conduct transparent merit-based selection
7. Issue appointment Prakas

II. Performance Management and Accountability

1. Establish POC scheme work plan
2. Establish personal service contracts
3. Conduct periodic appraisals

III. Monitoring and Evaluation

1. Periodic evaluation and reporting
2. Periodic POC scheme audits
3. POC instrument appraisal

I. Establishment

1. Define POC Scheme Terms of Reference

The POC scheme Terms of Reference (ToRs) defines the purpose of the POC scheme, its scope and its proposed structure. The ToRs are developed by the ministry or institution with appropriate assistance from associated development partners.

The ToRs document includes:

1. **the mission and goals of the POC scheme,** including a description of the core strategic development priority[s] that the ministry or institution is pursuing and that the POC scheme is intended to support;

   This might include:
   o a reference to the NSDP;
   o a reference to the ministry or institution's strategic plan or operational plan;
   o a reference to a development cooperation framework document.

2. **start and end dates** for the POC scheme;

3. **objectives and expected results** to be achieved by the POC scheme and associated monitoring indicators;

4. the **estimated number and type of positions** that will be covered by the POC scheme;

> A POC scheme will typically
> o be lead by a director who is responsible to the Minister for the performance of the POC scheme and for the delivery of specified results;
> o have one or two levels of project/operational managers (depending on the size of the scheme) who are responsible to the director for delivery of work plan results;
> o have a series of positions responsible for implementation of planned activities and delivery of individual results.

5. the **estimated operating costs** of the scheme; and,

6. a brief outline of the **implementation plan**, specifying main implementation activities and timelines.

The POC Scheme Terms of Reference will be discussed within the sectoral Technical Working Group (TWG) to which the POC scheme applies. This will ensure that there is transparency and coordination and avoid duplication.

A template for the Terms of Reference is available in Annex 1.

2. Define POC scheme organization structure and management processes

The ministry or institution will design the organization structure of the POC scheme that outlines reporting relationships and the processes required for the implementation and operation of the POC scheme. These structures and processes will be detailed in the management contract, and will include:

a. **position description and a selection criteria** for each position;
> o the ministry or institution may choose to use the POC job description template (see Annex 2) or to design/use their own format that meets their specific needs

b. **selection and appointment** processes
> The ministry or institution shall:
> o establish clear criteria for appointment into each position;
> o design selection processes that select the most appropriate candidate based on these criteria;
> o be able to demonstrate justification for all appointments.

c. a system to **manage performance and accountability,**
> o to ensure that appointee activities are focused on the achievement of the POC scheme mission and objectives;
> o to provide appointee's with clear objectives and agreed expected results;
> o to enable effective monitoring of progress towards POC scheme objectives; and
> o to ensure that POC payments are closely linked to work results, thus strengthening the results-based management approach.
> (see Annex 3 for more detail)

d. **financial management** processes
> o for the management of POC funds in bank accounts;

o for the payment of individual POC payments directly into POC scheme appointees' bank accounts on a periodic basis, usually monthly, based on the achievement of pre-agreed performance criteria; and,

o that ensure that each payment is properly recorded for audit purposes.

e. a POC scheme **monitoring, evaluation and reporting system,** which will

o provide regular reports of POC scheme results monitoring and evaluation findings to the ministry or institution, the development partner(s) and to the associated TWG.

o Such reporting will be used to determine the POC scheme's effectiveness and enable decision-making on its continuation.

3. Finalize POC scheme Management Contract

The Management Contract between the program director and the parent ministry or institution is a natural extension of the ToRs and may be reviewed periodically in light of progress made. It sets out the following to provide a clear description of how the POC scheme will fulfill its mission and objectives:

- The mission and objective(s) of the POC scheme;
- Expected results and monitoring indicators;
- POC scheme positions and organization structures;
- An outline of selection and appointment processes;
- The process to manage team/individual performance and accountability;
- Operating budget and financial management processes;
- POC scheme monitoring, evaluation and reporting system;
- Outline of the POC scheme implementation plan.

Further information is provided in Annex 4.

4. Seek final approval

Ministries or institutions will seek final approval from the CAR and MEF for:

- the Terms of Reference;
- the Management Contract;
- the appointment of the director; and
- the organization structure and number of positions.

Documents may be submitted to CAR for approval as soon as they are available to ensure timely approval. This approval is indicated through the signing of the implementation agreement.

5. Sign implementation agreement document

The implementation agreement document is signed by the concerned ministry or institution, the development partner(s) supporting the POC scheme and by the Council for Administrative Reform and the Ministry of Economy and Finance. The agreement specifies:

- the number and nature of positions to be covered by the POC scheme and its organization structure;
- a commitment to implement adjustments modalities once finalized;
- the operating costs and funding mechanisms; and,
- reporting requirements and the monitoring and evaluation processes.

This is supported by the following two documents:

- The Terms of Reference; and
- The Management Contract

This may take the form of a specific agreement or a memorandum of understanding. A suggested template for the document is available in Annex 5.

6. Conduct transparent merit-based selection

The ministry or institution uses the selection and appointment processes defined in the management contract to identify candidates for appointment to each POC position. The selection and appointment processes will also be used to fill any POC position that becomes vacant during the operation of the POC scheme.

The CAR may conduct inspections of selection processes to ensure that they respect norms for transparency and merit based selection. The program director will be held legally accountable for any transgression.

7. Issue appointment Prakas

Once appointments have been endorsed by the responsible Minister, a prakas will be issued by the Minister to confirm the appointment of successful candidates to the POC scheme. A copy of the prakas will be forwarded to the CAR for its record.

The CAR will establish a data base to record all POC schemes and all individual POC scheme appointments.

II. Performance Management and Accountability

1. Establish POC scheme work plan

The program director and managers will develop a POC scheme work plan at least annually, based on the Terms of Reference and the Management Contract. The work plan will specify activities, outputs and monitoring indicators for the period and will be the basis for assigning responsibilities among appointees and for reporting POC scheme progress and results.

2. Establish personal service contracts

All POC scheme appointees sign a personal service contract with the program director. The contract specifies the terms and conditions of their appointment including the duration of contract. The personal service contract will also specify activities, expected results, indicators and timeframes that will be used as the basis for performance appraisal. Activities and expected results may be specific to an individual appointee or to a team, depending on the nature of the activities to be completed and the results to be achieved.

3. Conduct periodic appraisals

Periodically, but at least every six months, individual appointees participate in a review of progress against their personal service contract in meetings with their director / manager. These progress reviews will be used to:

- monitor progress towards expected results;
- review expected results where necessary;
- assess compliance with other contract terms; and,
- provide feedback and take corrective action where necessary.

At the expiry of the personal service contract, the performance of individual appointees will be appraised against the terms of their individual personal service contract in meetings with their director / manager. These performance appraisals will be used to:

- assess achievement of expected results;
- assess compliance with other contract terms; and
- consider the issuance of a new personal service contract (if the POC scheme is to continue).

The Management Contract will specify the performance appraisal process.

Figure 1: PMAS Cycle
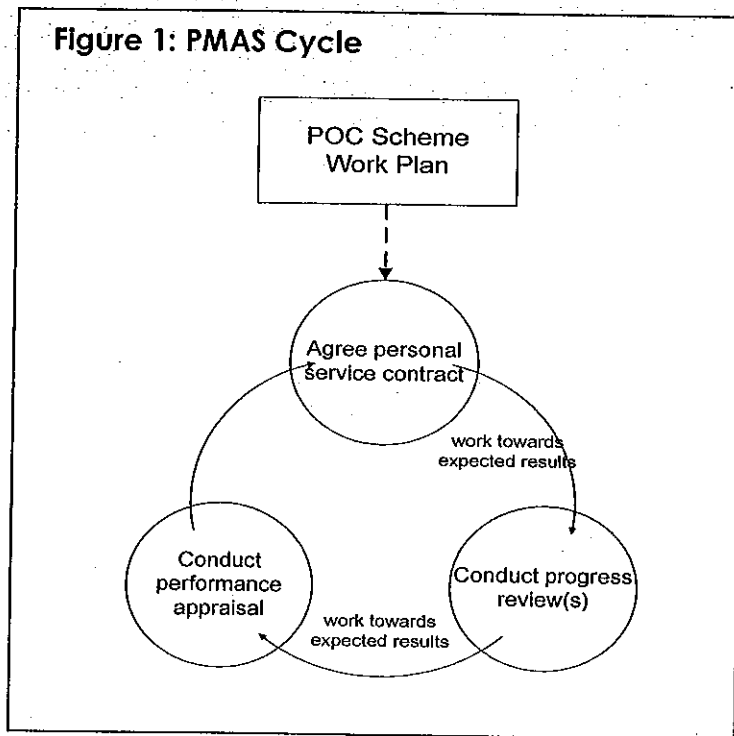
The requirements of a performance management and accountability system (PMAS) are specified in Annex 3 and a template for the personal service contract is presented in Annex 6.

III. Monitoring and Evaluation

1. Periodic evaluation and reporting

Ministries and institutions have a critical role: they lead and own the POC scheme(s) within their respective jurisdiction. They shall provide clear direction to the program director, closely monitor performance and provide the support and resources required to achieve the objectives. A practical, timely and efficient system of monitoring is critical to achieving institutional and individual objectives. This system can be a forceful instrument to change attitudes and behavior.

The program director will produce a periodic progress report (usually every 6 months) covering key issues and constraints, achievements against the Management Contract and POC scheme work plans, proposals to enhance performance and equity, and a financial statement. At the end of the POC scheme, a full scheme evaluation shall be conducted and an evaluation report produced.

Monitoring, evaluation and reporting requirements are specified in the Management Contract between the program director and the parent ministry or institution, and will address reporting to other key stakeholders such as the development partner(s) and the associated TWG.

2. Periodic POC scheme audits

Independent third party audits of individual POC schemes will be carried out periodically to ensure effectiveness of the scheme and its compliance with financial management requirements. Audit requirements may be specified in the Management Contract or may be commissioned by the CAR, the responsible ministry/institution or development partner(s).

3. POC instrument evaluation

An evaluation of the POC instrument (i.e. of all POC schemes) will be carried out to draw lessons from the instrument and its implementation. The evaluation will be carried out by CAR and discussed within the PAR TWG. Findings from this evaluation will be used to advise on the POC instrument.

D. Stakeholder Roles and Responsibilities

Table 1: Stakeholder Roles and Responsibilities

RGC Ministry or Institution	Owner of the POC scheme and oversees its design, implementation, management and monitoring. The ministry or institution appoints the program director.
Program Director	Directs the POC scheme and is primarily responsible for its implementation and management, and for reporting on its performance to the Minister/Head of Institution and other key stakeholders. Manages the performance of POC scheme managers against specified results and monitoring indicators for program/project activities. He/she is accountable for resources entrusted to him/her and is legally responsible for the management of the POC scheme.
POC Scheme Managers	Manage the performance of POC scheme activities as agreed in work plans to achieve POC scheme results. Work under the supervision of the program director. Supervise a number of POC scheme implementers
POC Scheme Implementers	Perform scheme activities as agreed in work plans to achieve POC scheme results. Work under the supervision of POC Scheme Managers.
Development Partner(s)	Provide technical guidance and support in POC scheme design and implementation. Receive reports from the program director on POC scheme performance to monitor progress. Act as funding agents for the POC scheme.
Technical Working Groups	Provide oversight in the establishment of POC schemes in their sector to ensure support for sector priorities and to avoid overlap in activities. Receive POC scheme evaluation reports to consider as part of sector coordination and planning activities.

Table 2: Stakeholder Involvement in Document Development and Approval

Formal Documents	Development	Agreement
Terms of Reference	The ministry or institution with appropriate assistance from associated development partners.	• The ministry or institution • Associated development partner(s) • The Council for Administrative Reform
Management Contract	Program director with appropriate assistance from the ministry or institution and associated development partner(s).	• The ministry or institution • Associated development partner(s) • The Council for Administrative Reform
Implementation Agreement	The ministry or institution with appropriate assistance from associated development partner(s).	• The ministry or institution, • Associated development partner(s) • The Council for Administrative Reform, • The Ministry of Economy and Finance

E. The POC Payments Grid

Table 3: The POC Payments Grid

Type of Position	Riels/month
National level/back office	
Oversight/leadership of program e.g. Program director, deputy program director	1,470,000 – 1,680,000
Management of project/operations e.g. Project manager, deputy project manager, chief of unit, deputy chief of unit	840,000 – 1,260,000
Implementation of operations e.g. Technical staff, support staff	504,000 – 756,000
Sub-national level/public service delivery	
Management of project/operations e.g. Project manager, deputy project manager, chief of unit, deputy chief of unit	378,000 – 462,000
Implementation of operations e.g. Technical staff, support staff	210,000 – 294,000

1. The POC Payments Grid provides a range of monthly lump-sum payments for different types of positions within development program or project structures. Payments are made based upon the achievement of specified program or project-related results and cease when the expected results are met or the development cooperation program or project ends.

2. Program or project positions are defined in position descriptions in the program or project organigram. The level of POC for selected high-level specialist positions will be defined separately following agreement between the RGC and development partners.

3. The specific POC payment rate to be applied to each position from the applicable payment range will depend on the nature and size of the scheme and the number of levels of position. Ministries and institutions will consider the relativity between positions in the operation of the POC scheme in determining the payment rate to be applied to each position.

4. Where payments are not to be paid monthly, payments will be consistent with the monthly payment scales presented in the POC Payments Grid.

5. Payments may be made retrospectively, but not before 1st July 2010, to address operating costs associated with an appointee's work as part of a development cooperation program or project where there is agreement between the ministry or institution and associated development partners.

6. POC scheme appointees may only receive one POC scheme payment at a time.

7. In the context of development cooperation programs, development partners cannot finance any operating costs to civil servants outside the POC instrument unless legally regulated by the Royal Government of Cambodia.

8. The above payments grid does not include payments such as DSA as per Sub-decree 10, or honoraria.

The following table may be used as a guide to determine the hierarchy and relativity of positions within a POC scheme:

Table 4: Guidelines for Types of Positions

Type of Position	Examples	Responsibility	Reporting Lines
National Level / Back Office			
Oversight/ leadership of program	Program Director, Deputy Program Director	Direction of program positions have overall responsibility for the design, implementation and ongoing management of the POC scheme. ■ They develop the Management Contract and establish POC scheme work plans. ■ They monitor and evaluate the results of the POC scheme against the Management Contract.	■ The program director reports directly to the Minister or Head of institution. ■ If the POC scheme is large with many positions and a variety of activities, the director may have the support of deputy directors with responsibility for specific areas of the POC scheme. ■ These positions have management positions reporting to them.
Management of project/operations	Manager, Deputy Manager, Chief of Unit, Deputy Chief of Unit, Team Leader, Supervisor	■ Management positions are responsible for managing the implementation of ongoing activities of a specific section of the POC scheme work plan. ■ They provide progress and evaluation reports against the POC scheme work plan.	■ There may be more than one level of management in a large and complex POC scheme. ■ Management positions either report directly to the director or a deputy director, or, in a large POC scheme, to a senior manager position. ■ These positions have lower management positions or a team of implementation positions reporting to them.
Implementation of operations	Technical staff, support staff	■ Implementation positions are assigned responsibility for implementing a specific aspect of the POC scheme work plan. ■ Their work is guided primarily by their personal service contract.	■ Implementation positions report directly to a management position. ■ These positions are usually part of a team and have no positions reporting to them.
Sub-National Level/Public Service Delivery			
Management of project/operations	Manager, Deputy Manager, Chief of Unit, Deputy Chief of Unit, Team Leader, Supervisor	■ Management positions are responsible for managing the implementation and ongoing activities of a specific section of the POC scheme work plan. ■ They provide progress and evaluation reports against the POC scheme work plan.	■ There may be more than one level of management in a large and complex POC scheme. ■ Management positions either report directly to the director or a deputy director, or, in a large POC scheme, to a senior manager position. ■ These positions have lower management positions or a team of implementation positions reporting to them.

Implementation of operations	Technical staff, support staff	• Implementation positions are responsible for implementing specific actions of the PQC scheme work plan. • Their work is guided primarily by their personal service contract.	• Implementation positions report directly to a management position. • These positions are usually part of a team and have no positions reporting to them.

Annex One: Terms of Reference template

This template presents a suggested format for the POC scheme terms of reference. The format may be varied to meet the specific needs of the POC scheme.

POC Scheme
Terms of Reference

1. Introduction

This section will describe the development program or project that the POC scheme is intended to support, and explain the sector context. It will offer a justification of the need for a POC scheme and identify the associated development partners.

2. Goals of the POC Scheme

This section will detail the mission and goals of the POC scheme, including a description of the core strategic development priority[s] that the ministry or institution is pursuing and that the POC scheme is intended to support. It would also detail start and end dates for the scheme.
This section might include:
- *a reference to the NSDP;*
- *a reference to the Ministry or institution's strategic plan or operational plan; or*
- *a reference to the development cooperation framework document.*

3. Expected Results

This section will detail the expected results of the POC scheme and the associated monitoring indicators. These may be detailed in a table as follows:

Objectives	Expected Results

4. Scheme Structure, estimated number and type of positions

This section will detail the proposed positions to be established in the POC scheme. These may be detailed in a table as follows:

Unit	Types of Position	Number of positions

A project/scheme organigram will be attached to present the organization structure of the positions.

(cont)

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5. Estimated Operating Costs

This section will detail the costs of operating the POC scheme, including the costs of POC payments to appointees.

6. Implementation of POC Scheme

This section will detail the main implementation activities and the timeline. It may address:
- *Signing of Implementation Agreement*
- *Completion of selection process*
- *Issuance of appointment prakas*
- *Finalization of work plan*
- *Issuance of Personal Service Contracts*
- *POC Scheme launch*

7. Agreement

This section will indicate the agreement/no objection of the ministry or institution and the associated development partners.
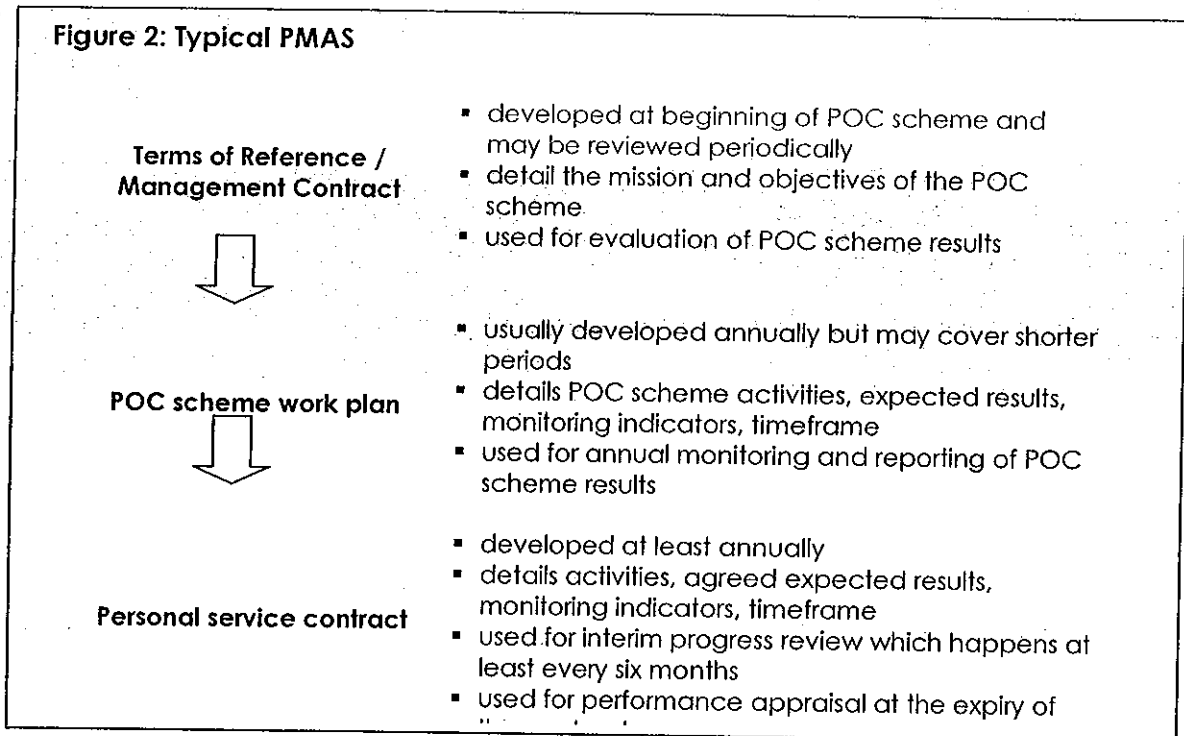
Annex Two: Job Description template

This template presents a suggested format for the POC scheme job descriptions. The format may be varied to meet the specific needs of the POC scheme.

_____ **POC Scheme**
JOB DESCRIPTION

Position Title:

Responsible to:

Supervises:

Type of Position: Payment
                                                     Rate:

Main Function
of Position:

I. Responsibilities

KEY RESPONSIBILITIES	ACTIVITIES

II. Selection Criteria

Experience	Essential:
	Desirable:
Specific Skills and Knowledge	Essential:
	Desirable:
Qualifications and Training	Essential:
	Desirable:

Signature _____   Signature _____
              POC Scheme Manager   Program Director

Annex Three: Performance Management and Accountability System

Every POC scheme will have a performance management and accountability system (PMAS) to assist with the management and appraisal of appointee's work activities to achieve the mission and objectives of the POC scheme. Each PMAS will have the following features:

A. Terms of Reference/Management Contract
B. POC Scheme Work Plan
C. Personal Service Contracts

Figure 2: Typical PMAS

Terms of Reference / Management Contract
- developed at beginning of POC scheme and may be reviewed periodically
- detail the mission and objectives of the POC scheme
- used for evaluation of POC scheme results

POC scheme work plan
- usually developed annually but may cover shorter periods
- details POC scheme activities, expected results, monitoring indicators, timeframe
- used for annual monitoring and reporting of POC scheme results

Personal service contract
- developed at least annually
- details activities, agreed expected results, monitoring indicators, timeframe
- used for interim progress review which happens at least every six months
- used for performance appraisal at the expiry of

Each POC scheme will design and implement a PMAS that addresses these requirements. Existing performance management and accountability-type systems may be used or adapted to meet POC scheme requirements. The POC scheme's PMAS guidelines will be attached to the POC scheme management contract as an annex.

Typical PMAS guidelines for POC scheme managers will address the following aspects:

Section	Description
Introduction/Objectives/ Scope	This section introduces the performance management and accountability system and its purpose.
System Design	This section provides an overview of the performance management and accountability system.

System Operations	This section describes the specific steps to be taken as part of the operation of the performance management and accountability system. It details what is done when, how and by whom. It would cover: • the process for establishing POC scheme work plans; • the POC scheme work plan monitoring process; • the process for establishing personal service contracts; • the personal service contract performance interim review and appraisal process
Unsatisfactory performance	This section addresses the process for responding to unsatisfactory performance identified as part of interim review / performance appraisal. It will detail corrective actions which may include capacity development or actions consistent with existing statutes of the civil service.
Reporting Requirements	This section details the process for reporting progress towards expected results. It will address the reporting of individual appointee performance to justify ongoing participation in the POC scheme, and consolidation of progress results for reporting of POC scheme performance.
System Responsibilities	This section outlines roles and responsibilities, including: • Ministerial responsibility for management, monitoring and review; • Responsibility of program director and managers; and, • Responsibility of POC appointees.

Annex Four: Management Contract

The Management Contract should assure the Minister that POC scheme management has a clear sense of direction, is dealing with the right issues and is managing its affairs accordingly. The Management Contract with the ministry or institution will in turn be supported by a cascade of personal service contracts between the program director and his/her managers and individual appointees.

A typical Management Contract would present the following:

Sections	May include:
Summary	▪ Major priorities of the POC scheme ▪ Main activities and monitoring indicators
Mission and Goals	▪ The mission and goals of the POC scheme ▪ POC scheme links to development programs or projects

Objectives and Expected Results	▪ A table detailing:
	   o Objectives
	   o Main activities
	   o Specific time bound measurable results to be achieved
	   o Monitoring indicators

POC scheme positions and organization structure	▪ Job descriptions ▪ Organization structure chart, detailing reporting lines
Selection and appointment processes	▪ Description of transparent and merit-based selection and appointment process ▪ Personal service contract format
Performance management and accountability system	▪ see Annex 3
Operating budget and resource requirements	▪ Financial resources, assets, equipment required ▪ Parent ministry resource commitments (use of infrastructure, shared resources, etc) ▪ Other resource commitments (e.g. development partners)
Monitoring, evaluation and reporting system	▪ Monitoring and reporting processes ▪ Evaluation and reporting requirements ▪ Audit requirements
Implementation plan	▪ Main implementation activities ▪ Timelines ▪ Reporting requirements

Annex Five: Implementation Agreement template

This template presents a suggested format for the POC scheme implementation agreement. The format may be varied to meet the specific needs of the POC scheme and its stakeholders.

**POC Scheme
Implementation Agreement**

1. Background

This section will describe the development programme or project that the POC scheme is intended to support, and explain the sector context.

2. POC Scheme Structure

This section will detail the POC scheme structure and number and types of positions.

3. Party Declarations

This section will detail:
- *funding and other commitments of the development partner(s), and*
- *management and other commitments of signatories including commitment to implement adjustment modalities.*

4. Review and Audit

This section will detail:
- *monitoring and evaluation requirements;*
- *reporting requirements; and*
- *audit requirements of the POC scheme.*

5. Financing

This section will detail the financial processes to be used to manage the funding.

6. Suspension, Cancellation, Termination

This section will detail the process to be used to suspend, cancel or terminate a POC scheme and to address any dispute between the parties.

7. Agreement

This section will indicate the agreement of the CAR, MEF, the ministry or institution and the associated development partners.

Annex Six: Personal Service Contract template

This template presents a suggested format for the POC personal service contract. The format may be varied to meet the specific needs of the POC scheme.

A typical POC personal service contract will have attached the relevant position description. When available, an individual work plan may be attached to meet the requirements of section three below.

POC Personal Service Contract Template

1. Appointment

The_____Ministry/Institution name_ (hereafter called as "the Ministry/Institution ")
hereby appoints:
___Name_____
___Address_____
___Civil Servant Number_ (hereafter called as "the appointee ")
To the position of _position name_____ in the_POC scheme name___ POC scheme. The
appointee reports to _____director/manager_ .

2.   Duration of Contract:

This appointment is effective from _____date___and shall remain valid until __expiry date
____, or until superseded by another contract. However, the appointment shall be reviewed
annually/every six months and may be terminated earlier according to conditions detailed
in clause 4.6.

3.   Responsibilities:

The appointee is responsible for
  - all responsibilities associated with the position as defined in the attached position description;

  - compliance with the terms and conditions of this contract; and

  - achievement of the expected results as stated below / agreed in the attached work plan.

Activities	Expected Results	Monitoring Indicators

4.   Conditions of Appointment:

The appointee will abide by all terms and conditions of their employment with the Royal Government of Cambodia and with the following conditions of appointment:

(cont)

4.1 Hours of Work:

The appointee's hours of work shall be a minimum of 7.5 hours per day, from Monday to Friday, except for official government holidays. The appointee is expected to be available at their work base during these hours. The appointee will be required to work any reasonable additional hours which are necessary to perform his/her duties and the appointee shall not be entitled to any additional payment for hours worked in excess of the normal working hours.

4.2 Absence:

Any planned absence will be with the express written permission of the Director. Any unplanned absence for sickness or other reasons must be communicated to the manager or director as soon as possible.

4.3 Other Payments:

The appointee shall not accept any other POC scheme payment during the term of this contract. The appointee shall not accept any gifts or other inducements offered in connection with their appointment in the POC scheme. The appointee may however receive payments such as DSA as per Sub-decree 10, honoraria or sitting allowances.

4.4 Conflict of Interest:

The appointee declares that, in accepting this personal service contract, they do not create a conflict of interest with any existing appointments, roles or activities, and that during the term of their appointment the appointee will not accept any appointment or role or engage in any activity that creates a conflict of interest with their responsibilities. The appointee shall notify the Director immediately of any actual or potential conflict of interest and shall address the conflict of interest so as to be able to satisfactorily demonstrate to the Director that the conflict of interest has been removed.

4.5 Performance Management and Accountability:

The appointee shall participate in progress reviews and performance appraisals as part of the Performance Management and Accountability System as detailed in section ___ of the management contract.

4.6 Corrective Action:

If the appointee does not abide by the terms and conditions of their employment with the Ministry or of this contract, or does not achieve the expected results agreed in the attached performance agreement, they may be subjected to corrective action as set out in section ___ of the management contract.

5. Remuneration:

The appointee will receive a POC payment of ___payment rate___ for each month that he/she holds the above position. This payment will be paid directly into a nominated bank account.

This contract comes into force on _date_ and remains valid until _date_.

I have read and understood the terms and conditions of my appointment and confirm my acceptance of this contract.

Signed _____
(Program Director)

Date:

Signed _____
(Appointee)

Date: