# MERIT BASED PERFORMANCE INCENTIVES SCHEME

# IMPLEMENTATION GUIDE

**PERFORMANCE AND ACCOUNTABILITY**

**General Secretariat**

**Council for Administrative Reform**

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| CAR | Council for Administrative Reform |
| MBPI | Merit Based Performance Incentives |
| MEF | Ministry of Economics and Finance |
| MoU | Memorandum of Understanding |
| P&A | Performance and Accountability |
| PMAS | Performance Management and Accountability System |
| PMG | Priority Mission Group |
| PSC | Personal Service Contract |
| SOA | Special Operating Agency |

# 1. What is an MBPI Scheme?

A Merit Based Performance Incentive (MBPI) scheme is a mechanism designed to support the implementation of the core strategic development priorities of government ministries and institutions. It provides a financial incentive to a limited number of civil servants who are responsible for the management of and provision of technical skills in the implementation of the core strategic development priorities.

Each MBPI scheme will target one or more specific strategic development priorities, and the performance of the MBPI scheme will be evaluated based on the achievement of these strategic development priorities. The performance of civil servants participating in the MBPI scheme will be evaluated based on their achievement of objectives and targets derived from the specific strategic development priorities.

A MBPI scheme is not intended as an instrument to support institutional reform or remuneration policy reform. Schemes will be fixed-term to support the implementation of the specific strategic development priorities and will then cease.

The establishment of an MBPI scheme may be initiated by a government ministry or institution to:

- Support the achievement of specific strategic development priorities identified through its strategic planning and review activities;
- Replace an existing development partner salary supplementation scheme that is not consistent with Sub-decree 29(see attachment one).

It is important that

- the proposal can be demonstrated to be in support of a specific strategic development priority[s];
- the proposal is supported by the Minister and relevant senior staff within the ministry or institution; and that
- there is commitment to financial and other support from a development partner[s] prior to finalization of the business case.

It is the responsibility of the Ministry, with the assistance of development partner[s], to design the MBPI scheme. The MBPI scheme design will be tailored to meet the needs of the Ministry, and must be approved by the Minister prior to submission to the Committee on Performance & Accountability (see MBPI Scheme Establishment Process below).

MBPI schemes will be financed by contributions from the RGC and development partner[s] as defined in Article 11 of Sub-decree 29. The RGC's contribution will be made from the national budget.

## 2. Sub-decree 29 on the Implementation of Merit Based Performance Incentives

Sub-decree 29 establishes the principles for implementation of an MBPI scheme, and fines the features of an MBPI scheme. A separate Sub-decree establishes a Committee for Performance and Accountability (P&A Committee) to lead manage and supervise the establishment and operations of P&A instruments including MBPI schemes.

Article 13 of the Sub-decree requires that approval in principle is sought from the Council of Ministers and the Ministry of Economics and Finance for the establishment of an MBPI scheme. This submission is referred to as a “business case.” Section 3.1 of this guide provides further information relating to the development of the business case.

Article 14 requires the agreement of a Memorandum of Understanding between all parties to the MBPI scheme, accompanied by an implementation and operational manual. Prior to agreement to the MoU, the P&A Committee will assess these framework documents to ensure that the proposed MBPI scheme is consistent with the principles and design requirements contained in Sub-decree 29 and elaborated in this MBPI Establishment Guide. Section 3 of this guide provides further information relating to the development of the framework documents.

Any significant deviations from the principles and design requirements contained in Sub-decree 29 and elaborated in this MBPI Establishment Guide will need to be specifically justified as part of the submission for approval.

# 3. MBPI Scheme Establishment Process

A working group would usually be established within the government ministry or institution to manage the MBPI Scheme Establishment Process, including MBPI scheme design, preparation of necessary documentation and provision of support in the MBPI scheme implementation. This working group would typically include representatives from key departments (Finance, Personnel, Planning, and technical representatives) and be lead by a senior manager responsible for MBPI development. The experience that the working group gains in the development of the MBPI scheme may be utilized in the establishment of future MBPI or PMG schemes within the Ministry.

The steps in the establishment of an MBPI within a Ministry are as follows:

## 3.1 Develop business case

The first step in the establishment of an MBPI scheme is a short submission to the Committee on Performance & Accountability for "in principle" approval of the scheme. This will include a Letter of Request for approval to proceed with the design of an MBPI scheme, and a supporting business case providing justification of the need for the MBPI scheme.

The "Business Case" should include:

- a description of the core strategic development priority[s] that the Ministry or Institution is pursuing and that the MBPI is intended to support (accompanied by the ministry or sector strategic plan where available),
- the Ministry's function[s] (relating to the core strategic development priority[s]) that will be incentivized by the MBPI scheme,
- the estimated number, location and level of positions that will be covered by the MBPI scheme,
- the estimated costs of the salary supplements to the government and development partner[s],
- a statement of financial and other support available or committed by development partner[s] for the MBPI scheme, and
- a brief outline of the implementation plan.

## 3.2 Seek approval in principle

Once the Letter of Request and Business Case have been prepared, they are submitted to CAR and MEF through the P&A Committee. The Committee will review the business case and consult with the applicant ministry. Further information may be requested before the Committee makes a decision on whether to approve the MBPI scheme "in principle".

## 3.3 Define MBPI organization, structure and processes

Upon approval in principle, the Ministry may proceed with design of the MBPI scheme. The working group in consultation with senior Ministry staff will be responsible for designing the required systems and processes, including:

- MBPI positions and organization structures, including positions descriptions:

- recruitment, selection and appointment processes, including personal service contract templates;
- a performance management and accountability system;
- control systems, including for management of non-performing staff, misconduct reporting and sanctions and attendance monitoring;
- monitoring, evaluation and reporting systems;
- financial management processes; and
- an implementation plan.

The identification of MBPI positions and organization structures requires a logical process that ensures that all positions can be justified in terms of their contribution to the management and technical support of the specific strategic development priority[s]. The ministry or institution will be required to design a process appropriate to their specific needs. An example of one such approach can be found as attachment two to this document.

## 3.4 Develop framework documents

The MBPI scheme design will be detailed in a series of framework documents to be submitted for final approval to proceed with MBPI scheme implementation.

The core document is a Memorandum of Understanding (MoU) between the interested parties, being the Ministry or Institution, the development partner[s] supporting the MBPI scheme and the Council of Ministers. The MoU sets out the commitment of the parties to the MBPI scheme and specifically details:

- the number and nature of positions to be covered by the MBPI and their organization structure;
- the financial costs and arrangements and funding mechanisms; and
- the monitoring and evaluation processes and reporting requirements.

The MoU will be supported by the following documents:

- The MBPI Operational Manual, which details the design and implementation arrangements of the MBPI scheme (see section 3 of this Guide); and
- The MBPI Performance Management & Accountability System Manual, which details the system to be used for establishment of targets, work plans and performance indicators, for managing the performance of staff and for identifying capacity development needs (see PMAS Principles and Guidelines document).

## 3.5 Seek approval for Framework Documents

These framework documents are submitted to CAR and MEF for consideration of the scheme design. The P&A Committee will assess the submission, and then invite ministry representatives to a meeting to address the submission. Further information may be requested before the Committee makes a decision on whether to approve the MBPI framework documents. Upon approval, all interested parties will sign the MoU.

## 3.6 Hold recruitment & selection

The Ministry may now commence recruitment and selection of staff to identify the proposed appointees for each of the MBPI positions. This will proceed according to the process agreed with the P&A Committee as part of the design approval.

## 3.7 Seek Approval of Appointments

Once recruitment and selection has been completed, the Ministry submits the final appointment recommendations to the P&A Committee for approval. The Committee will audit the recruitment and selection process to ensure transparency and merit based appointments and give approval.

## 3.8 Issue Ministerial Prakas

Once approval of appointments has been given by the P&A Committee, a Ministerial Prakas is drafted to confirm the appointment of the successful candidates.

## 3.9 Develop personal service contracts

After the Minister has signed and disseminated the Ministerial Prakas, a performance agreement will be developed with each successful candidate, and they will then sign a personal service contract that details the terms and conditions of their appointment to the MBPI position.

## 3.10 Full MBPI scheme implementation

The final step is the full implementation of the MBPI scheme. This will involve

- the implementation of systems relating to PMAS, monitoring & evaluation, reporting, financial management, and attendance, and the training of staff in the use of the systems as required;
- communication of relevant policies and processes to MBPI staff, including those relating to conditions of appointment, misconduct reporting and related sanctions; and
- commencement of activities to achieve the objectives and targets agreed in performance agreements.

# 4. MBPI Operational Manual Guide

This MBPI Operational Manual guide is intended to guide ministries and institutions in the development of an operational manual for their MBPI scheme. The operational manual is intended to present the systems and processes that will be used in the establishment and operation of the MBPI, including

- position descriptions and organization charts;
- recruitment, selection and appointment of staff to MBPI positions;
- terms and conditions of their appointment;
- remuneration;
- performance management and accountability;
- management of non-selected staff;
- implementation and transition arrangements; and
- monitoring, evaluation and reporting systems.

The MBPI Operational Manual forms part of the detailed submission to CAR and MEF, along with the MBPI Memorandum of Understanding and PMAS Manual, for final approval of the Ministry MBPI scheme (see MBPI Scheme Establishment Process, step 4). Any significant deviations from the principles and procedures outlined in this guide will need to be specifically justified as part of the submission.

***Guide to this Guide***

- Boxed content provides guidelines on the development of the MBPI Operational Manual and identifies any considerations that should be made.
- Text provides generic examples of the type of content that may be included. This may be varied by the Ministry to reflect the particular MBPI scheme.

The sections and content on the following pages are proposed as a model for the MBPI Operational Manual.

# MBPI OPERATIONAL MANUAL

## Table of Contents

# 1. MBPI Scheme Summary

*This section will provide a summary of the proposed ministry MBPI scheme as detailed in the business case approved by CAR and MEF as part of the in principle approval (see Article 13 of Sub-decree 29). The section will provide:*

- *a description of the strategic development priority[s] that the Ministry or Institution is pursuing and that the MBPI is intended to support (accompanied by the ministry or sector strategic plan where available),*
- *the Ministry's core function[s] that support achievement of the strategic development priority[s] that will be incentivized by the MBPI scheme,*
- *the number and nature of positions that are covered by the MBPI scheme (location and level),*
- *Any other relevant information regarding the MBPI scheme.*

# 2. Eligibility and Participation

## 2.1 Eligibility

*Approved MBPI schemes will apply to positions responsible for management and specialized technical support of strategic development priorities.*

*It is assumed that staff currently employed by the department/Ministry is likely to have the skills and knowledge required to perform within these MBPI positions, and, as current employees, will be given first priority in appointment to positions within the MBPI structure. Current staff will therefore have first opportunity to secure positions within the scheme. See also Annex B, section 4 regarding reconfirmation.*

Applications will be considered for the scheme based on the following priorities:

- First Priority: Incumbent (where the position is substantially similar to an existing position)
- Second Priority: Permanent Ministry/Institution staff
- Third Priority: Cambodian Civil Service staff, including non-permanent civil service staff.

If the position is new or differs from an existing position, the position will be advertised within the Ministry. If no suitable candidate[s] applies from the Second Priority category and capacity development is not practical, then positions will be advertised for Third Priority candidates.

All applications will be assessed against the competency profile provided in the position description which will include the following selection criteria:

- Job-relevant experience;
- Job-specific skills and knowledge;
- Relevant professional, vocational and educational qualifications; and
- Training related specifically to the position requirements.

The competency profile will define the minimum essential selection criteria for the position, and may also provide desirable experience, skills, knowledge, qualifications or training. Where an internal (first or second priority) candidate fulfils the essential selection criteria but not the desirable criteria, they will be appointed to the position and provided with training and development to develop the desirable criteria. Desirable criteria will be used to differentiate between candidates that fulfill the essential criteria.

## 2.2 Participation

Only staff that meets the minimum essential selection criteria for each position covered by the scheme will be eligible to participate in the scheme. If no candidates meet the minimum essential selection criteria for a position, that position may either be

- reviewed to consider appropriate changes to the duties and requirements of the position,
- left vacant until a suitable candidate is available. In this case, the candidate that most closely matches the minimum essential selection criteria may be targeted for development into the position and appropriate training and support offered to assist in fulfilling the minimum essential selection criteria. Upon fulfillment of the minimum essential selection criteria, they may be appointed into the MBPI position, or
- Where a position is a key position, a suitable person may be contracted into the positions to enable ongoing operations.

Continued participation in the scheme will be dependant upon demonstrating satisfactory performance against objectives determined as part of the performance management and accountability system.

# 3. Terms and Conditions of Appointment

| |
|---|
| *One purpose of the scheme is to ensure that all staff under the MBPI Scheme devote all of their work time to ministry duties and to the achievement of targets related to the specific strategic development priorities.* |

Selected staff will be appointed to the MBPI initially for a period of _____*number of years*______ years. Upon selection, they will enter into a personal service contract with the Ministry. The conditions of appointment are set out in this personal service contract which will be signed by both parties. The personal service contract (see Annex A) sets out obligations to work productively under performance management and accountability system and prohibits:

- Work in non-government sectors and in private practice which may cause a conflict of interest with ministerial responsibilities or which prevents the full discharge of work responsibilities;
- Receipt of any salary supplement payments or allowances from any donor funding programmes; and
- Receipt of payments of any kind as compliments or presents.

Staff who is not selected for positions covered by the scheme will not be eligible to receive any salary supplement payments or allowances from the scheme.

# 4. Recruitment and selection process

## 4.1 Position Descriptions

*A position description for each position covered by the MBPI scheme will be presented as part of the MBPI Operational Manual. An example of an MBPI position description template is attached in Annex D.*

A written position description for each position covered by the MBPI scheme is provided in Annex xx. These position descriptions form part of the PSC and are the key reference in the recruitment and selection processes.

## 4.2 Appointment Committee

*The Appointment Committee may be the same as that used in the establishment of other MBPI or PMG schemes within the Ministry or institution.*

*Appointment Committee membership should include:*

- *Staff with the authority to make employment recommendations to the Minister,*
- *Staff with the responsibility for the performance of functions covered by the scheme, and*
- *An independent member to ensure objective and transparent decision-making (see section 4.4)*

*A chairperson and a secretary will be nominated to ensure the effective functioning of the committee.*

The Ministry will establish a “Appointment Committee” to oversee the initial MBPI recruitment process and to manage the appointment process. The Committee will consist of:

- Secretary of State ( Chair )
- Directors General
- Other senior Ministry staff
- Representative of the Personnel Department (Committee Secretary)
- Independent member

The Committee will ensure that a rigorous and transparent recruitment and selection process is established and followed in order to:

- Mitigate any claims of unfairness during the selection process,
- Minimize the alienation of unsuccessful staff applicants, and
- Provide the Ministry with the most capable and committed staff to carry out the core functions of each position.

The Committee will also be responsible for considering the identified preferred candidates for each position to:

- Ensure effective allocation of staff across MBPI teams, and
- Address any situation where one candidate has been successful in their application for more than one position.

## 4.3 Selection panel

*The Appointment Committee may establish a selection panel or panels to conduct selection activities, including shortlisting, interviews and testing. The selection panel[s] would make recommendations to the Appointment Committee of the preferred candidate for each position. This section would detail the membership of the panel[s] and the processes involved.*

## 4.4 External Support

*The Ministry's personnel section has primary responsibility for the management and administration of recruitment and selection for the MBPI positions. Given the likely timeframes, workloads and the requirements of development partners, the Ministry may choose to engage technical assistance from an external agency or consultant to support these processes.*

*The external agency or consultant may provide technical assistance in:*

- *the development of recruitment and selection processes,*
- *screening, short listing and selection activities (as part of the Selection Panel)*
- *general administrative support including recruitment, management of applications, arrangement of selection activities and communication of outcomes..*

## 4.5 MBPI Staff Selection Process

*Recruitment and selection must be competitive, merit-based and transparent to ensure that the best available candidate is appointed to each position. Below is an example of such an approach.*

### 1. Applications

A tailored made application form will be designed to ensure that applicants provide all the relevant information and to provide equal opportunity for the candidates. The Department of Personnel with the technical support from the external consultant is responsible for position advertisement (first internal advertisement within the Ministry), distribution of standard application forms and receipt of the application forms from the applicants.

## 2. Screening

Screening is the process of analyzing all applications to remove those that do not meet minimum essential selection criteria and thus are not valid. Minimum essential selection criteria are defined in the position description prior to the start of the selection process and usually presented to potential applicants as part of the recruitment campaign to provide guidance on their suitability for the position.

Minimum essential selection criteria are the minimum level of demonstrable skills and ability that a person must have to be able to do the position, and often include:

- Demonstrated knowledge
- Area(s) of experience;
- Years of experience;
- Academic qualification(s);
- Language proficiency
- Computer Application Skills

Screening for the MBPI position selection will be conducted by a panel comprising of the relevant Director and the Director of the Department of Personnel.

## 3. Short Listing

This is the process of analyzing all valid applications to determine the leading candidates by comparing the experience and abilities of each applicant using an objective assessment process. Applicants will be compared on essential and desirable selection criteria contained in the position description.

In order to minimize time and resource requirements, a specified number of candidates will be chosen to participate in the final selection process for each available position. Short listing will be unnecessary if there are fewer valid applications than the number of places available in the final selection process.

The short listing process will be conducted by a panel comprising of the Directors General. Using rigorous short listing tools, they will determine the leading applicants for each position and forward these applications to the selection panel for the final selection process.

## 4. Automatic Appointment

Where a short-listed candidate is the incumbent in a position that is substantially similar to an MBPI position, that candidate will be considered for automatic appointment into the position without having to participate in a competitive recruitment process, as long as the candidate can demonstrate that he/she meets the minimum essential selection criteria for the position.

*Positions may be filled through two approaches;*

1. *Automatic appointment*

   *Where an MBPI position is the same as or substantially similar to an existing position, and where the incumbent meets the minimum essential selection criteria, the incumbent may be automatically appointed without having to participate in a competitive selection process. Automatic appointments would normally be identified during short listing. However, automatic appointments to senior positions may also be proposed as part of the framework documents where it can be justified as necessary for continuity of programme strategic leadership.*

2. *Competitive selection*

   *Where a position is new or has been changed, and/or where an incumbent does not meet the minimum essential selection criteria or chooses not to apply, the position will be filled using a competitive selection process.*

## 5. Selection Panel

The Appointment Committee will appoint a selection panel for each department. This will consist of the relevant Director General, the Department Director (and the Bureau Chief if a general staff position) and an independent member. The selection panel will receive all the short listed applications and will conduct the final selection process to determine the preferred candidates. The panel will use interview as the primary method of selection and the interview will be conducted by the selection panel using a standard and structured interview questionnaire adapted minimally for each position. Ability testing may also be carried out for some technical positions such as accounting, communications and IT positions. The list of preferred candidates will be then submitted to the Appointment Committee for appointment to the MBPI positions.

## 6. Employment Record/ Reference Checks

Reference checking will be used to validate selection decisions made by the selection panels. Checks of employment records held by the Personnel Department will be carried out to confirm previous employment, and reference checks may be done with previous and current managers to confirm abilities and experience.

## 7. Recruitment from other Departments/Ministries

If a candidate from another department or Ministry wishes to apply for an MBPI position, approval must be sought from the candidate's director prior to application.

*In deciding whether to make an external candidate available for selection, the candidate's director may consider factors including*

- *the impact on the unit of the loss of the candidate's skills and experience,*
- *the candidate's career development aspirations and opportunities, and*
- *the opportunity for downsizing of the unit.*

*If the candidate is selected, there may be justification for backfilling of the position. The Department Director with the vacancy may make submissions to the Department of Personnel to justify filling the vacated position.*

## 8. Appointment Process

Once the selection panel has identified a preferred candidate, they will make a recommendation to the Appointment Committee. The Appointment Committee is then responsible for consolidating and checking all the recommendations to ensure that all positions are filled, that there is an equitable distribution of high calibre and developing staff across teams, and that individuals are not appointed to more than one position.

The Appointment Committee then sends the appointment recommendations summation to the Minister for approval.

After approval by the Minister, the Appointment Committee is responsible for producing personal service contracts (PSC) for each successful candidate and coordinating the signing of contracts. The Directors General will sign the PSCs with the appointees in their Directorate. (*See Annex A*)

*The personal service contract must be signed by the appointee and by a person within the ministry who has the appropriate authority to approve the PSC, as delegated by the Minister. The contract may also be signed by the direct supervisor to indicate their agreement and understanding of the terms and conditions of the PSC.*

*A copy of the signed PSC should be retained by the appointee and a copy maintained by the Ministry in a personnel file for future reference.*

Once a PSC has been signed, it will be forwarded to the Department of Personnel who will make any necessary adjustments to files and records and forward details of the appointments to the Budget Department and any other relevant agencies according to normal procedures.

## 9. Levels of Authority

| Entity | Level of Authority |
|---|---|
| Minister | Approve final appointments |
| Directors General | Participate in short listing of candidates. Sign service contracts with successful candidates for each MBPI position |
| Department Director | Sign performance agreements with successful candidates for each MBPI position |
| Appointment Committee | Approve recommendations of Selection Panel and forward to Minister |
| Selection Panel | Identify preferred candidate for each MBPI position and forward recommendation to Appointment Committee |
| External Recruitment Consultant | Assist the Department of Personnel in screening and short listing candidates to provide most suitable candidates to selection panel, and participation in the selection process with the selection panel |

## 4.6 Replacement of Staff Leaving MBPI Scheme

If a staff member leaves the MBPI scheme at any time after the initial appointment process, the Appointment Committee shall be convened to fill the vacancy using the agreed recruitment and selection process.

# 5. Remuneration System

## 5.1 MBPI Incentive Rates

*The incentive rates specified in Article 6 of Sub-decree 29 apply to the position within the programme being supported by the MBPI scheme. The rates do not relate to the rank held by the official appointed to the position being supported by the MBPI scheme*

*Therefore, appointees will receive MBPI rates that do not relate to their civil service rank, but to the position to which they are appointed.*

MBPI incentive rates will be consistent with those specified in Article 6 of Sub-Decree 29 on the Implementation of Merit-Based Performance Incentives.

## 5.2 Calculation of Monthly Remuneration

MBPI incentive rates will be paid to each participant in the scheme in addition to their existing base salary and all other approved government allowances in accordance with the rates in Sub-Decree 29. Participants in the scheme will receive one monthly payment combining government salary and allowances and the MBPI incentive rates applicable to their rank. Monthly payments will be by direct payment to participants' bank accounts through the payroll utilizing the Government's nominated Bank.

Staff may only be a member of one incentive scheme at a time. Staff that are participating in a PMG scheme must cease their membership prior to joining the MBPI scheme. Staff that are receiving a salary supplement from a source other than the RGC must cease receiving that salary supplement.

## 5.3 Progression/Performance Payments

There will be no annual increments to MBPI incentive rates other than those determined through the annual review of MBPI incentive rates detailed in Sub-Decree 29.

# 6. Performance Management and Accountability System

*The design and operation of the PMAS is detailed in a separate manual. This section should provide an overview of the PMAS and its relation to the MBPI scheme.*

The Ministry's Performance Management and Accountability System (PMAS) will be used as a means of reaching agreement with staff on their required work activities and outputs, of making periodic assessments of their performance and of identifying capacity development needs to enable more effective performance. The key focus will be on:

- Identification and approval of objectives;
- Development and review of work plans;
- Conduct of annual performance evaluations; and
- Identification of capacity development needs.

The effective operation of the PMAS is the responsibility of all managers throughout the Ministry. The primary responsibility of managers and team leaders is to manage their team's activities to achieve the team's objectives. Therefore, the team's objectives are also the manager's/team leader's objectives, and the PMAS is a tool for managing the team's activities towards achievement of the objectives.

# 7. Control Systems

## 7.1 Attendance System

*An attendance monitoring system must be established to monitor and verify the attendance at work of all staff covered by the MBPI scheme. This system needs to be auditable and linked to the leave administration system.*

An attendance system will be developed for the staff covered by the MBPI scheme to verify their attendance at work as agreed in the PSCs. The system will require staff to gain prior authorization for all planned leave and sign-off of any unplanned leave from their supervisor. At the end of the month, the staff member will submit an attendance register to their supervisor for approval. Upon approval, all leave forms and attendance registers will be submitted to the personnel section for checking and filing.

Attendance and leave planning will be one of the agenda items for the monthly departmental meeting to ensure availability of staff for planned activities.

Leave entitlements will remain consistent with those provided in the Common Statute of the Civil Service.

## 7.2 Management of non performing staff

*Where a staff member is not performing to a satisfactory standard as measured by the PMAS, there is a need to provide support in the form of training, development and encouragement to assist them to reach the required standard.*

*If they are still unable to reach the required standard to the support provided, then there is a need to remove them from the MBPI position and redeploy them elsewhere in the Ministry.*

In addition to the identification of development needs, PMAS performance monitoring and evaluation also allows for the timely identification of unsatisfactory performance and for appropriate response through the identification and delivery of development needs and required support. If a staff member shows consistent unsatisfactory performance over a period of time despite the provision of appropriate training and support, they will be discharged from the MBPI position, will be redeployed within the Ministry and will be entitled only to Government salary and normal allowances.

In the case of serious contravention of the conditions of appointment, the policies and processes outlined in Annex B and C will be invoked.

## 8. Misconduct Reporting Process and Sanction Policy

*The purpose of this section is to provide a sound compliance reporting mechanism and an appropriate sanction policy consistent with the existing Cambodian legal framework.*

It is the responsibility of each manager to monitor the behaviour of their staff, and to take action to ensure that their behaviour meets the required standards as defined in the PSC. There is also an obligation on all staff to report any misconduct or potential misconduct which they become aware of.

The process detailed in Annex B shall be used for monitoring and reporting of misconduct (or potential misconduct) by MBPI recipients.

The Sanction Policy detailed in Annex C will be applied to any staff member found to have acted contrary to the standards defined in personal service contract.

## 9. Management of Non Selected staff

*It is unlikely that an MBPI scheme will apply to all the staff of a Ministry. The Ministry will continue to manage staff who are not appointed to an MBPI position in accordance with civil service regulations and within the policy framework set down by CAR and MEF.*

*The ministry or institution may also consider the establishment of further MBPI or PMG schemes to support the strategic development or operational activities of these staff.*

Staff members that are not appointed to MBPI positions will be retained in their current unit to perform clearly defined duties and responsibilities that fall outside the scope of the MBPI. They will have access to training and capacity development programmes provided by the ministry to support their continued development and enhance their eligibility for participation in future MBPI or PMG schemes.

## 10. Implementation and Transitional Arrangements

*Ministries will be required to present an implementation plan that addresses the implementation of the main aspects of the MBPI scheme. This implementation plan should provide information on timeframes and assigned responsibilities for each activity and should provide key indicators for the monitoring of implementation progress. The implementation plan will form part of monitoring, evaluation and reporting arrangements (see section 11 below).*

*Ministries will also need to be mindful of the transitional arrangements required to address the phasing out of existing salary supplementation practices and the introduction of MBPI incentives, as MBPI staff are not permitted to receive salary supplements from any other source. Transitional arrangements may also be required to address the transfer of functions and duties from non-selected to appointed MBPI staff (see also section 9 above). These transitional arrangements may also be addressed in the implementation plan.*

## 11. Monitoring, Evaluation and Reporting Systems

*The P&A Committee requires that ministries monitor and report the implementation and performance of the MBPI scheme. Ministries will be required to design and implement appropriate monitoring and evaluation systems, and to report on the following:*

- *implementation of the MBPI scheme - this will require the establishment and submission of an MBPI implementation plan with key indicators as part of the MBPI Operational Manual (see section 10 above);*
- *performance of the MBPI scheme in supporting the achievement of the targeted strategic development priorities;*
- *financial expenditure; and*
- *PMAS utilization and overall performance outcome results.*

*The monitoring and evaluation systems will form part of the MBPI Operational Manual, and the P&A Committee and development partner reporting requirements will be included in the Memorandum of Understanding.*

*Monitoring and evaluation information gathered will be used by CAR and MEF to determine the effectiveness of the particular scheme and to identify best effective practices and framework improvements.*

## 12. Annexes

### Annex A: Personal Service Contract

*A typical personal service contract will consist of a brief core document to which is attached:*

- *the relevant position description, and*
- *a performance detailing agreed performance targets and indicators (This document will be substituted when new/revised objectives and indicators are agreed at the beginning of each performance period).*

#### 1. Appointment

The Ministry of *Ministry name* (hereafter called as "the Ministry ") hereby appoints:
*Name*
*Address*
*Civil Servant Number* (hereafter called as "the appointee " )
To the position of *position name* in the Department of *department name*
The position holder is part of the *team name* Team/Bureau and reports to *supervisor*. The position is based in *location.*

#### 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 and may be terminated earlier according to conditions detailed in clause 8.

#### 3. Responsibilities

The appointee is responsible for

- all functions associated with the position as defined in the attached position description; and
- achievement of the performance objectives as agreed in the attached annual performance agreement.

#### 4. Conditions of Appointment

The appointee will demonstrate a commitment to the values, ethics and discipline of the Public Administration of the Royal Government of Cambodia, and will abide by all terms and conditions of their employment with the Royal Government of Cambodia and as defined in the attached MBPI conditions of appointment below.

## 4.1 Hours of Work

The appointee's hours of work shall be a minimum of 8 hours per day, as detailed in the Common Statute of the Civil Service. 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 taken with the express written permission of the Director or Director General. Any unplanned absence for sickness or other reasons must be communicated to the line manager as soon as possible.

## 4.3 Other Remuneration

The appointee shall not accept remuneration from any other source during the term of this contract without the prior written permission from the Director General. This includes remuneration generated from personal or family business, "supplementary salary" from a donor supported programme, consultancy or any other form of employment or engagement. The appointee shall not accept any gifts or other inducements offered in connection with their MBPI appointment.

## 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 MBPI responsibilities.

The appointee shall notify the Ministry 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 General that the conflict of interest has been removed.

*Examples of conflicts or potential conflicts of interest include:*

- *A procurement officer who owns an importing company that has supplied the Ministry in the past or who imports goods that the Ministry is likely to procure.*
- *A person engaged in pharmacy regulatory activity whose wife manages a pharmacy.*

### 4.5 Performance Management

*This section will detail the contractual requirements of the Ministry/Institution's PMAS, including requirements for agreement or review of objectives, monitoring and evaluation. The section will refer to the Ministry/Agency's PMAS manual.*

### 4.6 Disciplinary Process

If the appointee does not abide by the terms and conditions of their employment with the Ministry or of this contract, or does not meet the performance targets agreed in the attached performance agreement, they may be subjected to the disciplinary process as detailed in the Ministry's PMAS manual, which may result in removal from the MBPI position. If as a result of disciplinary action the appointee is removed from the MBPI position, he/she shall return to their normal duties within the Ministry and revert to the normal government salary and allowances.

### 4.7 Right of Appeal

If the appointee is not satisfied with the decisions made as a part of this contract, they may appeal through the appropriate channels using the process detailed in the Ministry's PMAS manual.

## 5. Remuneration

The appointee will receive the normal government salary and allowances, together with a merit-based performance incentive of US $..... for each month that he/she holds the above position.

---

This contract comes into force on the ______day of ______, 20xx and remains valid until the __day of ______, 20xx.

Signed ________________________ (Director General)

I have read and understood the terms and conditions of my appointment and confirm my acceptance of the terms and conditions of this contract.
Signed ________________________ (Appointee)
Date:

## Attached:

1. Position Description
2. Annual Performance Agreement

# Annex B: Misconduct Reporting Process

## 1. Reporting

Any staff member (either MBPI recipient or non-recipient) who observes or becomes aware of any misconduct by an MBPI recipient(s) is obliged to report this to an appropriate manager. An appropriate manager is a manager of sufficient seniority to be able to initiate the appropriate action and to whom the staff member is comfortable reporting the issue. The staff member is entitled to anonymity upon request in any actions taken as a result of their reporting.

The manager will review and, if in agreement that the allegation relates to a material breach of their conditions of appointment, he/she will report the matter directly to the *Performance Review Committee*. Should the manager decide that the information provided does not constitute a material breach of their conditions of appointment, he/she should communicate this, with reasons, to the reporting staff member.

Failure by staff or Directors to report any misconduct of which they have knowledge will result in the application of an appropriate sanction, as stipulated in the Sanction Policy in Annex C. Reporting of allegations in bad faith or for malicious reasons will also result in the application of an appropriate sanction.

## 2. Investigation

Once notified, the Performance Review Committee will consult with the responsible Director, Department of Personnel and the Internal Audit Department to identify evidence relevant to the allegations.

In the event that sufficient evidence exists to suggest that there has been an violation, then:

- If the violation appears to be minor, the Performance Review Committee will request the Department of Personnel to issue a warning to the concerned individuals. The warning will state that any further misconduct will result in the concerned individuals being investigated.
- If the violation appears to be significant or complex, an investigation committee should be immediately set up. The committee shall be led by a deputy director and include a representative from Department of Personnel, and a representative from the Department[s] involved. When such an investigation is instituted the individuals concerned will immediately be suspended from the MPBI pending the outcome of the investigation.

Upon conclusion of the investigation, the investigating committee shall prepare a written report, including its findings and conclusions, and forward it to the Performance Review Committee. Except in the case of extremely complex investigations, as agreed with the chairman, the committee will report its findings within 14 days.

## 3. Outcome

The Performance Review Committee will consider the findings and conclusions of the investigation and make a final decision on whether there has been a violation, the nature of that violation, and the appropriate sanction, if any, to be applied (refer to the Sanction Policy, Annex C). The final decision will be communicated in writing to all parties concerned.

In the event that consultations or investigations reveal evidence of bad faith or reporting for malicious reasons on the part of the reporting staff member(s), then the Chairman will recommend immediate application of the sanction policy.

Statistics on the number of reports, warning and investigations and their outcomes will be reported to the Minister on a quarterly basis.

# Annex C: Sanction Policy

## Purpose of the policy

The main objective of this policy is to discourage MBPI recipients from being involved in misconduct or actions contrary to the conditions of appointment, either intentionally or unintentionally. If a case of misconduct is found and confirmed by the Performance Review Committee, the following sanctions may be recommended to the Minister:

| Type | Example | Sanction |
|---|---|---|
| Level 1 Sanction | Where an MBPI recipient unintentionally or carelessly engages in misconduct | Written warning |
| Level 2 Sanction | Where an MBPI recipient repeatedly engages in misconduct | Suspension from the MBPI scheme for a specified period of time |
| Level 3 sanction | Where an MBPI recipient engages in serious misconduct | Removal from the MBPI scheme |

Examples of conduct contrary to the conditions of appointment include, but are not limited to:

- Sharing MBPI among MBPI recipients and non-recipients,
- Making or receiving a bribe for nomination to an MBPI position,
- Asking for or receiving a bribe when checking attendance, etc,
- Any falsification of documentation or records relating to the MPBI scheme,
- Undertaking paid work or operating a business without prior written permission from the Director-General, and
- Any other actions that seek to undermine the objectives of the MBPI scheme as outlined in the General Guidelines.

## Annex D: Position Description Template

**Position Title:**

**Responsible to:**

**Supervises:**

**Main Purpose of Position:**

## Responsibilities

| Activities | Results | Indicators |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

## Competency profile (Selection Criteria)

| | |
|---|---|
| **Experience** | ***Essential:***<br><br>***Desirable:*** |
| **Specific Skills and Knowl-edge** | ***Essential:***<br><br>***Desirable:*** |
| **Qualifications and Training** | ***Essential:***<br><br>***Desirable:*** |

***Signature*** ______________________ ***Signature*** ______________________

***Supervisor*** ***Director of Personnel***

***Date:*** ____/____/____ ***Date:*** ____/____/____

## Attachment One: Sub Decree 29

Royal Government of Cambodia
No. 29

Sub Decree
on
The Implementation of Merit Based Performance Incentives
444

The Royal Government of Cambodia

- Having seen the Constitution of the Kingdom of Cambodia
- Having seen the Royal Decree No. NS/RKT/0704/124 dated July 15, 2004 on the appointment of the Royal Government of Cambodia
- Having seen the Royal Kram No 02/NS/94 dated July 20, 1994 promulgated the Law on the Organization and Functioning of the Council of Ministers
- Having seen the Royal Kram No. 06/NS/94 dated October 26, 1994 promulgated the Law on the Common Statute of Civil Servant of the Kingdom of Cambodia
- Having seen the Royal Decree No.CS/RKT/1297/273 dated December 01, 1997 on the Common Principles of the Organization of the Civil Services
- Having seen the Royal Decree No.NS/RKT/0904/284 dated September 27, 2004 on the Establishment of the Supreme Council of State Reform
- Having seen the Royal Decree No.NS/RKT/1201/450 dated December 01, 2001 on the Base Salary and Supplement Allowance of Civil Servant
- Having seen the Sub Decree No. 83 dated August 13, 2002 on the Establishment and Implementation of the Priority Mission Group
- Referring to request of Chairman of the Council for Administration Reform

**Decides**

### Chapter 1
### General Provisions

### Article 1.

This Sub Decree aims to set consistent and harmonious principles for the implementation of Merit Based Performance Incentive (MBPI) for civil servants who are working with projects of ministries and institutions which are financed by Development Partners through agreements between Development Partners and the Royal Government of Cambodia.

### Article 2.

MBPI is an incentive paid to civil servants in addition to base salary and other allowances who participate in the management, implementation and provision of technical skills involved in the implementation of strategic development priorities of ministries and institutions through agreements between Development Partners and the Royal Government of Cambodia.

The strategic development priorities include Sector Wide Programs which may be funded by one or more Development Partners either through separate accounts, pooled funding or sector budget supports.

## Chapter 2
## Major Principles

### Article 3.

The implementation of MBPI shall be in accordance with the following major principles:

- MBPI is an instrument to implement strategic development priorities involving a limited number of civil servants with highest educational qualifications.
- The implementation of MBPI shall be consistent with the existing public administration and salary systems of the State.
- MBPI incentives are not indicative of future salary policy
- MBPI related conditions shall not affect the unity, stability and sustainability of existing systems.

### Article 4.

All positions supported by MBPI shall be consistent with the priority functions of the line ministry or institution involved.

Each position which is supported by MBPI shall have a written job description and selection and transfer procedures shall be based on work performance, transparency and qualifications.

### Article 5.

Each civil servant who is selected to work in a MBPI scheme shall:

- have an appointment contract that specify objectives, activities, quantitative and qualitative outputs, and mechanisms for monitoring and evaluation;
- be evaluated at least once a year according to the procedures specified in the appointment contract
- benefit from capacity development.

## Chapter 3
## Rates, Payments and Support

### Article 6.

Civil servants who are selected to work on strategic priority development projects of ministries and institutions that are financed by Development Partners shall receive MBPI performance incentives as follows:

| | |
|---|---|
| - Director General | 1,800,000 Riels |
| - Deputy Director General | 1,480,000 Riels |
| - Department Director | 1,280,000 Riels |

| | |
|---|---|
| - Deputy Department Director | 1,080,000 Riels |
| - Administration Officer | 1,000,000 Riels |
| - Bureau Chief | 932,000 Riels |
| - Deputy Bureau Chief | 836,000 Riels |
| - Kramka | 772,000 Riels |
| - Secretary | 452,000 Riels |

For ranks below Deputy Department Director, MBPI incentive rates paid by Development Partners include PMG incentive rates.

MBPI incentive rates can be reviewed (annually) and changed if necessary. Changes in MBPI incentive rates shall be made by Sub Decree.

## Article 7.

Civil servants who have high specific technical skills may receive MBPI incentives with eligibility and incentives levels to be determined by separate provisions.

Other positions that are not stipulated in Article 6 may receive MBPI incentives at a level to be determined as an equivalent rank to a position specified in Article 6 through the Memorandum of Understanding.

## Article 8.

Administration officials at the sub national levels occupying the functions shall receive the MBPI incentive rates for the same positions.

## Article 9.

MBPI incentives shall be transferred into the personal account of involved civil servants using the banking system.

## Article 10.

Each ministry and institution that initiates an MBPI scheme shall ensure that Development Partners transfer existing salary supplement funds to support the implementation of the MBPI scheme.

## Article 11.

The Memorandum of Understanding supporting a MBPI scheme between ministries and institutions of the Royal Government and Development Partners shall include an initial contribution by Development Partners equivalent to but not more than ninety percent (90%) towards the payment of incentives in the first year, and their contribution shall be reduced gradually by five percent (5%) a year over the life of individual MBPI schemes.

The Royal Government shall co-finance the MBPI scheme within the framework of counterpart funds of the Royal Government.

## Article 12.

Schemes for salary supplement, for over time or for new contractual arrangement for civil servants which are part of programs or projects of Development Partners shall not be allowed to exist outside MBPI scheme.

# Chapter 4
# Approval Procedure

## Article 13.

Under the procedures for approval of MBPI schemes, ministries and institutions shall submit a proposal to the Council of Ministers of which the General Secretariat of the Council for Administration Reform acts as Secretariat, and the Ministry of Economy and Finance.

Proposals shall briefly explain the coherence between objectives of the proposed MBPI schemes, the strategic development priorities of ministries and institutions, the objectives and support programs of the Development Partners by specifying the number of positions and expenditures and the procedures for monitoring and evaluation.

## Article 14.

After obtaining approval of the proposal in principle provided in Article 13, a Memorandum of Understanding shall be developed by concerned parties including a manual for the implementation of the scheme approved by the line Ministry or Institution.

Departure from the principles and procedures which are stipulated in the general manual for implementation shall be specifically justified.

Comprehensive procedures shall be developed by each Ministry or Institution that implement MBPI scheme indicating in detail procedures for the implementation.

# Chapter 5
# Conditionality for Implementation

## Article 15.

The number of positions of a MBPI scheme shall be limited to those core positions necessary to achieve the strategic priorities of each Ministry or Institution.

## Article 16.

Ministries or institutions obtaining approval for a MBPI scheme shall be responsible for implementing the scheme in accordance with the Memorandum of Understanding and approved manuals.

The Council of Ministers, which the General Secretariat of the Council for Administration Reform acts as the Secretariat shall be responsible for approving the schemes, coordinating, and monitoring the implementation of MBPI schemes.

All ministries and institutions that implement a MPBI scheme shall prepare technical reports to the Council of Ministers of which the General Secretariat of the Council for Administration Reform acts as a secretariat, and reports of expenditure to the Ministry of Economy and Finance.

## Article 17.

Transfer of civil servant who received MBPI shall be made through Prakas of the concerned ministry or institution in a transparent manner and the number of civil servant under the scheme shall remain the same and a copy of the Prakas shall be provided to the Council of Ministers.

## Article 18.

MBPI schemes shall end when the financing from the Development Partners terminates or the project closes.

# Chapter 6
# Transitional Provisions

## Article 19.

All salary supplement schemes of Development Partners that are inconsistent with the provisions of this Sub Decree shall end or be transferred to the MBPI scheme in accordance with the provisions of this Sub Decree no later than one year after this Sub Decree comes into effect.

# Chapter 7
# Final Provisions

## Article 20.

Sub Decree No. 98, dated August 05, 2005 on the implementation of MBPI and Sub Decree No. 38, dated May 03, 2006 on amendment of the implementation of MBPI shall be abrogated.

## Article 21.

Minister in charge of the Office of the Council of Ministers, the Minister of Economy and Finance, the Chairman of the Council for Administrative Reform, Ministers and Secretaries of State of all Ministries and Institutions shall implement this Sub Decree from the date of execution.

Phnom Penh, date…………., 2008
Prime Minister

**SAMDECH AKKAK MOHA SENA PADEI TECHO HUN SEN**

**Proposed to the Prime Minister by**
**The Deputy Prime Minister and**
**Chairman of the Council of**
**Administration Reform**

**Sok An**

**CC:**

- Ministry of Royal Palace
- General Secretariat of Constitutional Council
- General Secretariat of Senate
- General Secretariat of the National Assembly
- General Secretariat of the Royal Government
- Cabinet of Samdech Prime Minister
- General Secretariat of the Supreme Council of the State Reform
- As mentioned in Article 21
- The Royal Gazette
- Archives

## Attachment Two: Position Establishment Process

### 1. Establishment of Organization Design

- Final agreement on the strategic development priority that the MBPI scheme will support.
- Identification of core functions and the structure required to effectively deliver them with consideration of functional analysis findings and recommendations.
- Senior manager position descriptions are developed by Directors General.
- Approval of department core function structure and senior management position descriptions gained from Minister.

### 2. Automatic Appointment of staff into senior management positions

- MBPI PSC offered to each candidate by Directors General.
- Upon acceptance, Minister confirms senior managers into their positions. *(Assumption that there will be no change to department structure and that incumbents will be retain their positions.)*

### 3. Establishment of Department Organization Development (OD) Plans and Team Design

- OD Plans for each functional area will be developed by Directors using a template.
- The OD Plans will focus on establishing an effective MBPI structure and establishing/improving systems and processes within the department to effectively deliver core functions.
- They will use the functional analysis findings and recommendations and the objectives from the Ministry's annual planning process to identify OD objectives and to establish plans for achievement of these objectives.
- The OD plans will include a proposal for the establishment of a MBPI position structure and MBPI position outlines.

### 4. Approval of OD Plans by Directors General/Minister

- Directors General/Minister approves OD Plans with consideration of MBPI position establishment numbers and core functional requirements.

### 5. Establishment of Position Descriptions in each Department

- The Director will complete a position description template (Annex D) for each approved position in the OD Plan.
- The position analysis process and position description template are designed to provide information about the work experience, skills and knowledge, and qualification and training requirements of the position for use in the recruitment process.

## 6. Establishment of positions requiring special technical skills

*Where special technical skills are required for a position and it is determined that the MBPI incentive rates may be insufficient in attracting and retaining appropriate candidates, the Ministry may submit a proposal to CAR and MEF for the establishment of a Technical Specialist position with an appropriate MBPI incentive rate (refer to Article 7 of Sub-decree 29).*

*In the absence of a separate sub-decree to address eligibility and incentive levels for such positions, the Ministry's proposal should justify the position's assignment as a Technical Specialist position with a higher rate by addressing:*

- *The work experience required that is relevant to the duties and responsibilities of the position;*
- *The level of qualifications required that are relevant to the duties and responsibilities of the position; and*
- *The market supply of and demand for these qualifications and experience.*

- If it is determined that there is a need to pay higher rates to attract candidates with specialist skills and experience, then the unit head may develop a proposal to assign a position as a Technical Specialist position.

## 7. Commencement of Recruitment Process

- The recruitment process for MBPI positions can now commence using the competency profiles contained in the position descriptions.

# PRIORITY MISSION GROUP SCHEME

# IMPLEMENTATION GUIDE

## PERFORMANCE AND ACCOUNTABILITY

**General Secretariat**

**COUNCIL FOR ADMINISTRATIVE REFORM**

June 2009

# Table of Contents

# Introduction

Priority Mission Groups were introduced gradually starting in 2002 with the approval of the Strategy to Rationalize the Civil Service adopted by the Council of Ministers in October 2001. They were conceived as a partial practical solution to enhancing performance by providing performance incentives to staff selected by a transparent, merit based process. PMGs are innovative instruments the Royal Government introduced step-by-step.

In 2007, the Council for Administrative Reform together with ministries evaluated the scheme to assess benefits and draw lessons. An Inter-Ministerial Meeting chaired by the Deputy Prime Minister, Chairman of the Council for Administrative Reform considered findings and recommendations to reinforce impact on performance and streamline processes. Decisions were announced at the National Seminar on PMGs and MBPIs held in October 2007.

Following consultations and discussions with ministries and development partners on how best to further improve on the scheme so that it be a more effective tool, together with MBPIs and SOAs to enhance performance and accountability in the Civil Service. This guide is based on and expands on Sub-Decree 62 ANK.BK, dated April 22, 2009, which revised Sub-Decree 83, dated 13August 2002, and attendant regulations and Prakas.

The main body of the Guide introduces the concept, outlines characteristics and specifies processes and practices. The annexes expand on core elements of the scheme and are intended to illustrate rather than direct. Ministries and institutions shall adapt them to their needs, capacity and circumstances.

## 1. What is a Priority Mission Group?

A Priority Mission Group is a team of civil servants established by ministries, institutions and various reform councils in accordance with defined criterion to perform priority operational missions of the ministry or institution to achieve specific results. In return for performance and accountability, PMG members receive performance incentive in accordance with approved rates set by Sub-Decree 62 ANK.BK, dated April 22, 2009.

PMGs are foremost instruments to enhance performance and accountability within the Administration. As such they may be used to

- Facilitate the implementation of reform and priority missions of ministries and institutions in accordance with government priorities as outlined in the National Strategic Development Plan and the Governance Action Plan;
- Improve the quality and delivery of public services;
- Develop sustainable capacity within the Public Administration.

When used effectively PMGs would:

- Change behavior gradually towards principles of motivation, loyalty, service and professionalism;
- Promote prudent, effective and transparent performance based management;
- Encourage civil servants to perform their work in a way that is effective, transparent and responsible.

## 2. The PMG scheme

The Royal Government started to deploy PMGs five years ago. The approach was prudent and step-by-step. Following a review in the mid 2007 and subsequent consultations with ministries and development partners, processes and procedures were streamlined and simplified and performance enhancing components were strengthened. This section of the Guide outlines key characteristics of the scheme.

PMGs continue to have the following characteristics:

- They are an integral part of a holistic approach to turning the public administration into a potent tool for planning and executing public policy;
- The mission of individual PMG must be consistent with the priorities of the Royal Government and the operational priorities of the ministry or institution establishing them;
- They have a clear mandate with indicators of performance and periodic reporting.
- Members are civil servants who are selected based on merit through a transparent and fair process managed by the concerned institution; and,
- PMG staff receives a performance incentive on top of their remuneration in return for performance and ethical behavior.

Sub-Decree on PMG has introduced elements to enhance the performance of the scheme and of individual PMGs. It has simplified the approval, evaluation and audit procedures. It facilitates the involvement of development partners in the deployment and financing of PMGs. Changes to the scheme include:

- Streamlined oversight procedures (approval, evaluation, audit);
- Strengthened performance management;
- Personal and team based appraisal;
- Emphasis on capacity development;
- Time limits to appointment unless extended;
- Adjusted incentive levels and structure;
- Funding mechanisms (increasing government participation when DP funding).

## 3. PMG Establishment Process

The following outlines the key activities leading to the establishment of a PMG:

1. Develop business case
2. Seek approval in principle
3. Develop framework documents (Mission and Results Statement)
4. Define PMG organization, structure and processes
5. Seek approval of scheme design
6. Hold recruitment & selection
7. Seek approval of appointments
8. Issue appointment prakas
9. Develop personal service contracts

### 3.1 Develop business case

The first step in the establishment of a PMG scheme is a short submission to the Committee on Performance & Accountability for "in principle" approval of the scheme. This submission should make a compelling rationale for establishing a PMG in terms of expected costs-benefits and risks. The submission will include a Letter of Request for approval to proceed with the design of a PMG scheme, and a supporting business case providing justification of the need for the PMG scheme.

The "Business Case" should include:

- a description of the operational priority[s] that the Ministry or Institution is pursuing and that the PMG is intended to support,
- a practical definition of expected results together with monitoring indicators,
- the estimated number, location and level of positions that will be covered by the PMG scheme,
- the estimated costs of the salary supplements to the government and development partner[s] (if involved),
- a statement of any financial and other support available or committed by development partner[s] for the PMG scheme, and
- a time schedule for monitoring and implementation.

## 3.2 Seek approval in principle

Once the Letter of Request and Business Case have been prepared, they are submitted to CAR and MEF through P&A committee, which will review and consult with applicant an advice the two ministers. Further information may be requested before the Committee makes a decision on whether to recommend the PMG scheme for "approval in principle".

## 3.3 Develop framework document (Mission and Results Statement)

The Mission and Results Statement is the "Constitution" of the PMG scheme. This document and the establishing Prakas are the framework documents for individual PMG schemes. An outline of a typical Mission and Results Statement is contained in Annex I.

The Mission and Results Statement provides a clear description of how the PMG scheme will fulfill its mission and mandate as set out in the business case. The Mission and Results Statement should assure the Government and the Minister that the PMG management has a clear sense of direction, is dealing with the right issues and is managing its affairs accordingly. The Mission and Results Statement is a rolling statement that may be reviewed annually as part of the ministry planning exercise and in light of progress made

The Mission and Results Statement sets out the following:

- The mandate and mission of the PMG;
- Expected results and monitoring indicators;
- Monitoring, evaluation and reporting systems;
- PMG positions and organization structures;
- A brief description of the performance management and accountability system (PMAS) to be used;
- Operating budget and identification of resources required;
- An implementation plan detailing implementation steps, responsibilities and timelines;
- Funding mechanisms (decreasing participation by development partners); and
- Mechanisms for stakeholder involvement.

The Mission and Results Statement shall be prepared in close cooperation with stakeholders and any development partners involved. Where develop partners are involved in supporting the PMG, a Memorandum of Understanding will be drafted detailing the partnership agreement.

A PMAS Manual consistent with the CAR PMAS Principles and Guidelines will be developed for use as part of the PMG and should be submitted in support of the Mission and Results Statement.

## 3.4 Define PMG organization, structure and processes

The Ministry will need to design systems and processes required for the implementation and operation of the PMG scheme including:

- position description for each position;
- recruitment, selection and appointment processes (see 3.6 below), including personal service contract templates;
- control systems, including for management of non-performing staff, misconduct reporting and sanctions and attendance monitoring; and
- financial management processes.

## 3.5 Approval for framework documents

The Mission and Results Statement is submitted to CAR and MEF for consideration of the scheme design. The Committee on Performance and Accountability will assess the submission, and then invite ministry representatives to a meeting to address the submission. Further information may be requested before the Committee recommends approval of the PMG framework documents. Where development partners are involved, the MoU will be signed after scheme approval.

## 3.6 Hold recruitment and selection

Upon approval ministry may commence recruitment and selection of staff for each of the PMG positions approved in the Mission and Results Statement.

Appointment into a PMG position shall be merit based and transparent. The best candidate available shall be selected and provided with training opportunities if and when necessary. Available positions shall be advertised broadly within the ministry or institution and a transparent process for application shall be easily accessible. Ministries and institutions are responsible for conducting the selection process.

Ministries and institutions wishing to deploy PMGs shall establish:

An ***Appointment Committee*** to oversee and manage the recruitment and appointment processes and to validate the list of successful candidates prior to submission to the Committee for Performance and Accountability for approval. Their responsibilities are to

- Ensure that the recommendations are reasonable and recommended candidates meet the selection criteria for the position,
- Ensure effective allocation of staff across PMG teams, and
- Address any situation where one candidate has been successful in their application for more than one position.

A ***Selection Panel*** to conduct the selection process and to make recommendations for appointment to the Appointment Committee. The selection panel would normally be responsible for identifying preferred candidates for all positions within the PMG. Their responsibility is to:

- Ensure the recruitment and appointment process is implemented effectively, efficiently and transparently.

The CAR Secretariat may provide assistance, if and when required.

## 3.7 Seek approval of appointments

Once recruitment and selection has been completed, the Ministry submits the final appointment recommendations to the Committee on Performance and Accountability for approval. The Committee will audit the recruitment and selection process to ensure transparency and merit-based appointments and give approval.

## 3.8 Issue appointment prakas

Once approval of appointments has been given by the Committee on Performance and Accountability, an appointment prakas is drafted to confirm the appointment of the successful candidates.

- If the PMG is financed by the RGC alone, then the prakas shall be drafted and issued by the Office of the Council of Ministers.
- If the PMG is financed by both the RGC and development partners, then the prakas shall be drafted and issued by the relevant Minister.

## 3.9 Develop Personal Service Contracts

After the appointment parkas has been signed and issued, a performance agreement will be developed with each successful candidate, and they will then sign a personal service contract that details the terms and conditions of their appointment to the PMG position. The personal service contract will stipulate expected results, commitments and compensation for each. Annex IV provides an overview of a personal service contract.

Requirements of the performance agreement are detailed in the PMAS Principles and Guidelines.

Personal Service Contracts are critical to the success of individual PMGs and are a useful source of information for monitoring and evaluation.

# 4. Terms of Appointment

One purpose of the scheme is to ensure that all staff under the PMG Scheme devote their work time to the mandate and mission of the PMG, to realize expected results and to improve work efficiency. Selected civil servants are appointed to a PMG initially for a period of one year. Upon selection, they enter into a personal service contract with the Ministry. The conditions of appointment are set out in this personal service contract which is signed by both management and the appointee.

The personal service contract sets out obligations to work productively, to achieve set results and meet performance indicators. It commits appointees to develop individual capacity and to respect pre-defined norms and standards. It also commits management to providing adequate operational resources and development opportunities to improve performance.

Individual Performance Management and Accountability Systems include a section on enforcing the PMG Code of Ethics and a section on rewards and sanctions. Managers and staff shall be routinely appraised against indicators of probity and service. The section will cover grievance and redress procedures. Specifically, PMG members shall not:

- Engage in activities that may give rise to a conflict of interest with PMG related responsibilities or which prevents the full discharge of work responsibilities;
- Receive any salary supplement payments or allowances from donor funding program not directly related to the Mission and Results Statement for that PMG; and,
- Receive payments as part of any MBPI scheme;
- Receive payments of any kind as compliments or presents.

Members of PMG may be terminated before the expiration of a mandate in case of failure to meet agreed expectations repeatedly or breach of the Personal Service Contract.

# 5 Performance incentives

PMG appointees shall receive advantages of three types: normal salary according to rank and level and applicable allowances; normal benefit packages; and, performance incentives set by sub-decrees. In addition, appointees will be offered developmental opportunities.

PMG appointees who meet expected results as planned and fulfill conditions of the contract shall be entitled to monthly incentive as followed:

- Category A: 520,000 Riels per month
- Category B: 450,000 Riels per month
- Category C: 350,000 Riels per month

The incentive scales for PMG Manager shall be 600,000 Riels per month in addition to his/her salary in the Civil Service.

PMG performance incentive rates will be paid to each participant in the scheme in addition to the existing base salary and all other approved government allowances in accordance with the rates in Sub-Decree 62 ANK.BK dated April 22, 2009 PMG appointees will receive one monthly payment combining government salary and allowances and the PMG incentive rates applicable. Where possible, monthly payments will be by direct payment to participants' bank accounts through the payroll utilizing the Government's nominated Bank.

# 6. Managing and Monitoring PMGs

The management and monitoring of PMGs is shared.

**Council for Administrative Reform**

The CAR is responsible for program-wide co-ordination and monitoring of the PMG program and to facilitate implementation by ministries. The CAR will provide means to share lessons learned and better practices.

**Ministry of Economy and Finance**

The Ministry of Economy and Finance shall closely coordinate together with Council of Administration Reform and Development partners to establish procedures and processes that allow for performance and accountability and to assure fiduciary integrity. In particular, these mechanisms shall ensure disbursement in full and in time.

**Committee for Performance and Accountability**

The Committee is responsible for monitoring and facilitating decision making, the effective and transparent implementation of priority mission groups by ministries and institutions. The committee shall prepare regular report on progress of PMG implementation for submission to the Council for Administrative Reform. The Committee for Performance and Accountability and CAR General Secretariat will provide secretariat services to advise and assist in coordinating, monitoring, auditing and evaluating PMGs implementation.

**The ministry or institution establishing PMGs**

Ministries and institutions have a critical role: they lead and own the PMGs within their respective jurisdiction. They shall provide clear direction to PMGs, closely monitor their performance and provide them with the support and resources required to fulfill their mission. They would usually establish a unit or task force to manage and monitor the scheme within their jurisdiction and periodically report to the CAR on performance.

**PMG appointees**

PMG appointees are part of a team responsible for the successful achievement of the mission. In particular, they are responsible for achieving results and meet standards as set out in their respective Personal Service Contract.

## 6.1 Managing PMGs

PMGs are about performance and accountability. An effective system to plan, implement and monitor operations and to account for results is essential to both. **A Performance Management and Accountability System (PMAS)** is essential to performance and merit based HRM, demand driven capacity development and effective financial management**.** These systems shall be transparent and participative at the least costs possible. They shall allow for the active participation of stakeholders.

Ministries and institutions have been experimenting with and introducing PMAS type systems to support their policy, operational and capacity development priorities. Performance management systems are routinely deployed to support major reforms. Projects currently underway to introduce performance management are built around common core principles. Each PMAS, however, is tailored to the reality and circumstances of individual ministries, institutions or PMG.

The Performance Management and Accountability System to be used by PMGs follows principles enunciated in the PMAS Principles and Guidelines which in turn is based on the draft policies on Human Resources Management and on Human Resources Development. A PMAS helps management and work teams agree on priorities and expected results, how to meet expectations with what resources, how to coordinate implementation, and how to track and report on progress and improve on performance.

A practical, timely and efficient system of performance management and accountability is critical to achieving institutional and individual objectives. It can be a forceful instrument to change attitudes and behavior within the Administration. It is important to remember, however, that any such system is only as good as the information it is based on and can be very costly to operate.

Please refer to the Performance Management and Accountability System Principles and Guidelines for more information.

## 6.2 Managing Human Resources

Generally, PMG management and staff would be expected to use and abide by the highest standards of HRM and be early adopters or pioneers in the deployment of HRM practices and processes as part of the Administrative Reform. The draft HRM policy that was circulated outlines strategies, priorities and tools to enhance performance, accountability and merit. Copies are available from the General Secretariat to the Council for Administrative Reform.

Unlike SOAs, PMGs may not benefit from specific delegated authorities concerning the hiring, promotion and rewards of team members. PMG management should establish the following mechanisms and systems to strengthen performance and accountability

- **Attendance system**

  An attendance system will be developed for staff under the PMG scheme to track attendance at work as agreed in the personal service contract. The system will require staff to gain prior authorization for all planned leave and sign-off of any unplanned leave from their supervisor. At the end of the month, the staff member will submit an attendance register to their supervisor for approval. Upon approval, all leave forms and attendance registers will be submitted to the personnel section for checking and filing.

  Attendance and leave planning will be one of the agenda items for the monthly departmental meeting to ensure availability of staff for planned activities.

- **Misconduct reporting process and sanction policy**

  It is the responsibility of each manager to monitor the behavior of their staff, and to take action to ensure that their behavior meets the required standards as defined in the personal service contract. However, there is also a need to provide appropriate systems for the reporting of misconduct by other staff to ensure appropriate action is taken.

  The process shall be used for monitoring and reporting of misconduct (or potential misconduct) by PMG recipients which is contrary to this Manual and the personal service contract.

  The Sanction Policy will be applied to any staff found to have acted contrary to the standards defined in the personal service contract.

## 6.3 Managing Financial Resources

Standard operating procedures for financial management shall be followed. The financial management system shall include an activity/result based budget approach with the flexibility to allow for a certain degree of variation between budget lines or categories. PMG managers shall exercise prudence and due process in the management of assigned resources. The parent ministry or institution ensures the correct application of financial management processes, practices and regulations.

PMG management and staff are expected to be early adopters of innovative instruments of financial management and control introduced through the reform of Public Finances Management. To this effect, the parent Ministry or institution will need to work closely with the Ministry of Economy and Finance.

## 6.4 Asset management and Procurement

PMGs are expected to manage and safeguards assets and equipment at their disposal as authorized by the parent ministry or institution for the purpose of achieving expected results in the confine of assigned mission.

## 6.5 Monitoring and Evaluating PMGs

❖ **Requirements for Monitoring**

Ministries and institutions will establish their own monitoring regime for each PMG and the PMG scheme itself within their jurisdiction. Requirements should be specified as part of the Mission and Results Statement and the constituting Prakas.

A key consideration is getting the right balance between the requirements for monitoring the progress towards achieving a successful outcome to each priority mission, and for monitoring the overall progress of the reforms in a target organization. Requirements for monitoring, evaluation and reporting are usually specified in the Mission and Result Statement of a PMG.

❖ **Reporting**

A progress report must be set in the context of a time-framed work-plan with quantifiable and measurable targets, performance indicators, outputs and objectives. The PMG manager shall submit periodic work-plans and reports.

The format for periodic progress reports is flexible but shall cover key issues, achievements and constraints that parties need to know. The annual reports shall cover the following:

- Executive Summary
- Introduction – reporting period, consistency in format between the previous and the current report, feedback on previous report, key statistics (staff, management, meetings, etc.)
- Planned outputs and targets, and budgeted activities for this reporting period- (quarter or annual) as indicated in the currently approved Work-Plan
- Actual achievements against work-plan objectives, outputs and targets
- Funding and expenditures for the period
- Factors enhancing or adversely affecting progress towards specific objectives, outputs and targets
- Strategy for optimizing the benefits of enhancing factors, and for minimizing adverse factors
- Planned outputs and targets, and budgeted activities for the next reporting period (quarter or annual)
- Statement by the PMG group leader of overall progress towards successful completion of the approve Work-plan for the year in question.

# 7. Financing PMGs

The Royal Government undertook to deploy PMGs early on by itself alone if necessary. To this effect a Budget line was assigned to the scheme and the CAR was asked to implement together with the Ministry of Economy and Finance. PMGs as other performance enhancing instruments (SOAs and MBPIs) are early adopters of reforms. They will be pioneers for reforms introduced by the Administrative Reform, the Financial Reform or D&D.

To date, the whole cost of the scheme has been assumed by the Royal Government. Development partners now agree with the merit of such a scheme to implement operational priorities within ministries and institutions. There is broad support to deploying PMGs as one of three instruments to rapidly improve performance, accountability and capacity.

When development partners want to be party to the establishment of a PMG, it is important that, very early on, agreement is reached on modalities for financial arrangements.

Respective contribution to individual PMG is flexible but contribution of development partners to overall scheme will decrease overtime much like their contribution to MBPIs decrease over time. Ministries and institutions shall reach agreement before submitting for Approval in Principle.

# 8. Frequently Asked Questions

***What are PMGs?***

PMGs are foremost instruments to enhance performance and accountability within the Administration. As such they may be used to

- Facilitate the implementation of reform and priority missions of ministries/ institutions in accordance with government priorities as outlined in the NSDP and the GAP;
- Improve the quality and delivery of public services
- Develop sustainable capacity within the Public Administration.

***How are PMGs and MBPIs complementary?***

Both are performance enhancement instruments using very similar management tools (e.g. job description, merit based recruitment, personal service contract, appraisal processes, management by results, code of ethics, performance incentives… time limits). They differ in their application. PMGs target operational needs of priority missions as defined by a ministry. MBPIs target core strategic priority functions of a ministry as defined by the ministry as well as positions requiring specific technical expertise. Over time, it is expected that the two instruments will converge.

The two instruments may be used concurrently to reinforce one another in supporting major reform programs for instance. Once a Ministry has identified its strategy and program of action, it may use an MBPI to support higher-level strategic functions, and PMGs for priority operational ones. For example, the design and implementation of a sector strategy may be considered by a Ministry as a strategic priority. The Ministry could identify a limited number of functions as being essential to the ongoing success of its strategic priority and a greater number of positions as priority missions to support implementation.

PMGs and MBPIs are flexible instruments that could be adapted to a variety of circumstances and that may evolve over time as priorities and needs change.

***How are PMGs different from MBPIs and SOAs?***

All three are instruments to enhance performance and to gradually change attitude and behavior. PMGs and MBPIs are both instruments that support an individual or groups of positions or functions. SOAs go a step further and institutionalize performance and accountability enhancing practices and processes. The SOA itself, as an institution, is held accountable for performance and accountability. SOAs normally will use management practices and systems similar to those of PMGs and MBPIs. Staff working within the SOA may, depending on their functions, be eligible for MBPI or PMG performance incentives. They may also be eligible for periodic bonuses based on performance.

All three instruments can be used together e.g. establishment of a SOA for an employment agency where management, due to the strategic nature of its work or the skills required, receives MBPI incentives, and the operational staff receive PMG incentives.

***Can there be more than one PMG in a Ministry?***

Yes. A Ministry may have a number of operational priorities.

***What is CAR's role?***

CAR's role is to provide support to Ministries and Development Partners to ensure consistency and coherence in the implementation of the three instruments as mandated in the Policy on Public Service Delivery, the Royal Decree on Implementing Special Operating Agency, the Sub-Decree on Implementing Merit Based Performance Incentives and the Sub-Decree on Implementing Priority Mission Groups.

In consultation with ministries and institutions and with development partners, the CAR Secretariat will finalize guidelines to facilitate the establishment and management of each instrument. A project is being formulated to develop capacity to manage and implement through training, workshops, TWG briefings… As lessons are learnt, processes and guidelines will be refined.

***How are PMGs governed?***

PMGs are an integral part of the ministry or institution that are established by Prakas and that are managed according to their Mission and Results Statement. Unlike public enterprises or establishment they do not have separate legal status from that of the parent organization. They are an integral part of the parent ministry or institution which monitor performance and extract accountability.

***What type of authorities would PMGs have to manage and develop human resources?***

PMG management will usually have the authorities of the target ministry or institution. Any HRM authorities can only be exercised as part of implementing the Mission and Result Statement and allocated budget.

A first priority of the parent ministry or institution and of the PMG management will be to set in motion a concerted plan to develop capacity to enhance performance and to manage and monitor

PMGs. PMG management is expected to be early adopter of processes and practices to enhance performance and accountability.

***What would be the compensation and benefits package available to PMG staff?***

Typically, PMG appointees will receive a base salary according to grade and levels, normal allowances (such as family, risks, distance) and applicable functional allowance (such as management, education, health). In addition, monthly performance incentives will be provided according to staff category in the Civil Service as mentioned in article ..of sub decree dated ……….. These will be specified in Personal Service Contracts and be managed through the PMG Performance Management and Accountability System. PMG appointees will have access to benefits offered to public servants e.g. pension, health insurance…

***Who are PMG appointees?***

PMG appointees are civil servants under the aegis of the Common Statute. As such PMG appointees are part of the parent ministry or institution that have been appointed to work within a PMG.

***How will the PMG be financed?***

PMGs will be financed from the National budget and development partner's contributions. Sources of funds for individual PMGs will be specified as part of the Mission and Results Statement for the PMG.

***How will funds from the National Budget be made available to PMGs?***

A PMG budget is part of the parent ministry or institution. At least initially, funds will be provided by line items. However, PMGs shall be early adopters of practices and processes advocated by PFM reform.

***Who guarantees the PMGs financial viability?***

PMGs are integral part of the parent ministry or institution and as such it benefits from the same assurances and guarantees as the ministry or institution. It has their financial viability. The Mission and Results Statement for an individual PMG will specify the authorities within which the PMG management can operate and engage expenditures or make financial commitments.

***Who owns PMG assets?***

The parent ministry or institution owns the assets. PMGs are custodians of the assets and shall manage them diligently and efficiently and account for proper safeguard.

***How can development partners contribute to establishing and managing PMGs?***

Development partners can be involved in various ways from providing technical and financial support to ministries and institutions to establish a PMG to actively support the management and monitoring of a PMG and its ongoing operations. In particular, development partners could greatly facilitate developing PMG capacity to manage and contribute to the payment of performance incentives to PMG appointees.

# 9. Annexes

## Annex I Typical Mission and Result statement

“The Mission and result statement shall define measurable and evaluable results using indicators of performance. The Mission and result statement shall be signed by the PMG manager and the Minister or the representative of the parent ministry.”

A typical Mission and Result Statement would cover the following:

**Summary**
A brief description of major issues confronting the PMG and its proposed strategy with key performance targets.

**Situation Analysis**
Environmental Assessment
Internal strengths and weaknesses

**Objectives and Performance Targets**
Longer-term objectives
Specific time bound measurable results**.**
Service level commitments

**Strategy**
Key Assumptions (economy, market, resources, demand)
Priority products/services

**Operational Priorities**
Main activities
The risks

**Expected results**
Performance Indicators
Operational efficiency
Preconditions

**Resource Requirements**
Human resources, financial, assets, equipment…
Linkage with the parent ministry (use of infrastructure, shared resources...)

**Discipline, rewards and sanctions**
Ethics, internal rules and procedures including sanctions and rewards

**Reporting modalities**
Procedures and reporting cycle

# Annex II Typical Performance Management and Accountability System

A PMAS for an individual PMG focuses on achieving three concurrent and interdependent priorities: enhancing operations, developing capacity and accounting for results. In addition, the system shall be put in place at the time of the PMG establishment. Both the parent ministry or institution and the new PMG shall put in place processes and procedures to fulfill their respective commitments. However, while in the case of PMG a PMAS system shall be simpler and less demanding, it should nevertheless meet the core criteria of such PMAS as described in the Guide on PMAS.

Performance management and accountability systems depend on reliable, relevant and timely information. Ensuring that such information is available and easy of access is a prime responsibility of management. A typical PMG Mission and Results Statement and individual personal service contracts will specify responsibilities concerning the gathering, storing and use of information. Tombstone information will focus on tracking progress towards achieving expected results.

Ministries and institutions shall refer to the Guide on Performance Management and Accountability Systems. Its annexes provide an overview of the main characteristics of a PMAS for PMGs.

***PMAS Design Principles***

- PMAS is a management tool used to support the achievement of identified institutional objectives. All PMAS objectives and work plans should be linked to these institutional objectives, which may detailed in strategic plans, management contracts or similar documents.
- PMAS will provide teams and individuals with clear and easily measurable objectives, results and indicators to provide clear performance expectations and fair and transparent assessment of performance.
- Team and individual work plans and objectives will be established through consultation with teams and individuals to provide clear understanding and commitment to the achievement of the plans and objectives. Objectives, results and indicators will be recorded in a performance agreement that will form part of the individual service contract.
- PMAS will be based upon a planning, monitoring and evaluation cycle to provide teams and staff with regular feedback on their performance and the opportunity to modify plans and behaviours to improve outcomes.
- PMAS monitoring and evaluation outcomes may be consolidated and reported as part of the monitoring and evaluation processes within the institution or scheme.
- The PMAS is the cornerstone for demand-driven capacity development and training. It is a tool to assist in the identification of capacity development needs as they relate to the performance of job related activities and the achievement of work objectives. Capacity development activities will assist individuals to effectively complete activities related to the institutional objectives targeted by the scheme and may be included in the performance agreement.
- Performance incentives may be linked to performance management outcomes to ensure that recipients are motivated to work towards achieving the agreed objectives.

- Managers’ primary responsibility is to manage their team towards the achievement of the institutional objectives and the PMAS is an effective tool to assist in this goal. Managers are thus primarily responsible for the effective use of the PMAS and the achievement of the team’s objectives and work plans.
- Teams and team members will be accountable for their agreed objectives and will work with their manager to enable the best opportunity to achieve them.

## Annex III: PMG Staff Selection Process

*All recruitment and selection must be competitive, merit-based and transparent to ensure that the best available candidate is appointed to each position. The process detailed below provides an example of a recruitment and selection process. Ministries will need to adapt this process to meet their particular requirements.*

### 1. Applications

A tailored made application form will be designed to ensure that applicants provide all the relevant information and to provide equal opportunity for the candidates. The Department of Personnel with the technical support from the external firm or consultant is responsible for position advertisement (first internal advertisement within the Ministry), distribution of standard application forms and receipt of the application forms from the applicants.

### 2. Screening

Screening is the process of analyzing all applications to remove those that do not meet minimum selection criteria and thus are not valid. Minimum selection criteria are defined prior to the start of the selection process and usually presented to potential applicants as part of the recruitment campaign to provide guidance on their suitability for the position.

Minimum selection criteria are the minimum level of demonstrable skills and ability that a person must have to be able to do the position, and often include:

- Demonstrated knowledge
- Area(s) of experience;
- Years of experience;
- Academic qualification(s);
- Language proficiency;
- Computer application skills

Screening for the PMG position selection will be conducted by a panel comprising of the relevant Director and the Director of the Department of Personnel.

### 3. Short Listing

This is the process of analyzing all valid applications to determine the leading candidates by comparing the experience and abilities of each applicant using an objective assessment process. Applicants will be assessed against selection criteria that are determined prior to the start of the recruitment process.

In order to minimize time and resource requirements, a specified number of candidates will be chosen to participate in the final selection process for each available position. Short listing will be unnecessary if there are fewer valid applications than the number of places available in the final selection process.

The short listing process will be conducted by a panel comprising of the Directors General. Using rigorous short listing tools, they will determine the leading applicants for each position and forward these applications to the selection panel for the final selection process.

## 4. Automatic Appointment

Where a short-listed candidate is the incumbent in a position that is substantially similar to a PMG position, that candidate will be considered for automatic appointment into the position without having to pass through a competitive recruitment process, as long as the candidate can demonstrate that he/she meets the minimum selection criteria for the position.

## 5. Selection Panel

A selection panel will be appointed for each PMG Scheme. This will consist of the relevant Director General, the Director of the concerned Department (and the Bureau Chief if a general staff position) and an independent member. The selection panel will receive all the short listed applications and be responsible to conduct the final selection process to determine the preferred candidates. The panel will use interview as the primary method of selection and the interview will be conducted by the selection panel using a standard and structured interview questionnaire adapted minimally for each position. The list of selected candidates will be then submitted with recommendations to the Appointment Committee for appointment to the PMG positions.

## 6. Employment Record/ Reference Checks

Reference checking will be used to validate selection decisions made by the selection panels. Checks of employment information held by the Personnel Department will be carried out to confirm previous employment, and reference checks may be done with previous and current managers to confirm abilities and experience.

## 7. Recruitment from other Departments/Ministries

If a candidate from another department or Ministry wishes to apply for an PMG position, approval must be sought from the candidate’s program director prior to application.

## 8. Appointment Process

Once the selection panel has identified a preferred candidate, they will make a recommendation to the Appointment Committee. The Appointment Committee is then responsible for consolidating and checking all the recommendations to ensure all positions are filled and that individuals are not appointed to more than one position. The Appointment Committee then sends the appointment recommendations summation to the Minister for approval.

After approval by the Minister, the Appointment Committee is responsible for producing personal service contracts for each successful candidate and coordinating the signing of contracts. The Directors General will sign the personal service contracts with the appointees in their Directorate.

Once a personal service contract has been signed, it will be forwarded to the Department of Personnel who will make any necessary adjustments to files and records and forward details of the appointments to the Budget Department and any other relevant agencies according to normal procedures.

## 9. Levels of Authority

| Entity | Level of Authority |
|---|---|
| Minister | Approve final appointments |
| Directors General / PMG Program Director | Participate in short listing of candidates. Sign personal service contracts with successful candidates for each PMG position |
| Department Director | Sign performance agreements with successful candidates for each PMG position |
| Appointment Committee | Approve recommendations of Selection Panel and forward to Minister |
| Selection Panel | Identify preferred candidate for PMG position, recommend and forward to Appointment Committee |

## Annex IV Typical Personal Service Contract

PMG shall establish a hierarchy of personal service contracts for individual staff with clear responsibilities and expected results. PMG staff shall be regularly evaluated according to the activities planned in the personal service contract…” Article .... of the Sub Decree.

A typical personal service contract will be made of a brief core document to which is attached the “job description” of the position and a rolling statement of expected results with indicators.

The **core document** will typically include the following information:

**Identification Bloc**
Name of incumbent and position specifics

**Terms and conditions of appointment**
Duration and condition of appointment

**Commitment to value, ethics and discipline**
Adherence to four values and to regulations

**Commitment to achieve results**
Would usually flow from a unit or team operational plan

**Remuneration and benefits**
Nature and level of remuneration (base salary, PMG, bonus) and entitlements

**Signature block**
The PMG Head, the immediate manager and the incumbent

The **position description** and its attendant **competency profile** follow normal practices:

**A brief statement of objective for the position**
Objectives of position and linkages with other positions

**A list of major tasks and related indicators**
Usually in a table form

**Required competencies**
Essential (have to have),
Desirable (nice to have)

The rolling statement of **expected results** would normally cover two broad categories of commitments: those relating to ongoing responsibilities of the occupied position and those to additional responsibilities (when necessary).

## Annex V Typical Annual PMG Performance and Accountability Report

“PMG shall produce an activity report, auditing report, regular monitoring and evaluation reports to the parent ministry or institution and other relevant ministries or institutions.”

A PMG Performance Management and Accountability System shall allow for easy monitoring and lead to quick action to improve performance. Monitoring and reporting can become unduly costly and time consuming when the focus of a PMG shall be on performance in the achievements of result. The costs/benefits of performance management and accountability systems hinge on the quality of the information used, the capacity to use the information and the ICT support on which the system relies. It is essential to success that information be relevant, reliable, timely and easy to manage and access. It is also essential that the capacity to design, establish and manage such a system be developed urgently.

The format and content of annual performance and accountability reports will vary greatly from one PMG to another. However, these annual reports will be expected to account clearly and succinctly on all core agreements between the PMG and parent ministry or institution. Statements shall be based on verifiable evidence.

These annual reports would normally include the following:

**A statement by the PMG manager**
Overview of progress and upcoming challenges

**The PMG environment**
Factors likely to affect the PMG operations and capacity

**A statement of operational priorities and expected results**
Recapitulation of priorities and expected results per the Mandate and Result Statement

**Overview of achievements**
Assessment of progress based on corporate systems and personal appraisals

**Achievements per major indicators**
Service standards, operational efficiency, management efficiency…

**Values, Ethics and Discipline**

**Recommendations for upcoming period**
Adjustments to the Mandate and Result Statement

**Annexes**
- Priorities, results and comments
- Human Resources Management and Development
- Financial Management

The parent ministry or institution will be expected to formally acknowledge the annual report and comment on its content. They will normally make suggestions which will be introduced in Management Contract.

## Annex VI Sub-Decree on Priority Mission Groups

**Royal Government of Cambodia**
**No. 62 ANK**

# Sub-Decree
# On
# The Establishment and Operations of Priority Mission Group
**55555**

## Royal Government

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen Royal Decree N° NS/RKT/0908/1055 dated 25 September 2008 on the Appointment of the Royal Government of Cambodia;
- Having seen Royal Kram N° 02/NS/94 dated 20 July 1994 Promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having seen Royal Kram N° 06/NS/94 dated 30 October 1994 Promulgating the Law Joint Statute of Civil Servants of the Kingdom of Cambodia;
- Having seen Royal Decree N° CS/RKT/1297/273 dated 01 December 1997 on Common Principles of the Establishment of Public Functions of the State;
- Having seen Royal Decree N° NS/RTK/0904/284 dated 27 March 2004 on the Establishment of the Supreme Council for State Reform;
- Having seen Royal Decree N° NS/RTK/1201/450 dated 01 December 2001 on Basic Salary and Allowances of Civil Servants;
- Having seen Sub-decree N° 51 ANK dated 10 June 1999 on the Establishment of the Council for Administrative Reform;
- As per request of the Chairman of Council for Administrative Reform

**HEREBY DECIDES**

### Chapter 1
### General Provisions

#### Article 1

Being established and put into operations in ministries or institutions with the purpose to enhance the effectiveness of work performance and accountability for the successful implementation of priority tasks of ministries and institution of the Royal Government.

#### Article 2

PMG is a group of selected civil servants who shall successfully implement operational priorities and are accountable to the head of the ministry or institution.

## Chapter II
## Establishment of Priority Mission Group

### Article 3

Ministries or institutions shall identify the priority missions based on the National Strategic Development Plan and the Governance Action Plan. PMGs are established to complement and reinforce other performance instruments such as Special Operating Agencies and Merit Based Performance Incentives.

### Article 4

Ministries or institutions shall submit proposal on the establishment of PMG to the Performance and Accountability Committee to approve in principle.

The proposal on the establishment of PMG shall indicate:

- Mission statements
- Expected results
- Number of positions
- Budget for members
- Management contract and personal service contract

### Article 5

After obtaining approval in principle from the Performance and Accountability Committee, ministries and institutions shall prepare framework documents as described in the Guide on the Establishment and Management of PMGs. They shall also establish procedures and processes for the transparent selection civil servants and submit the list of appointees to the Performance and Accountability Committee for review and final approval.

### Article 6

After obtaining final approval from the Committee, ministries and institutions shall establish the PMG as follow:

When the PMG is financed, in part, by development partners, as part of a joint venture, ministries and institutions shall sign a Memorandum of Understanding with their partners and shall issue a Prakas to name appointees and to endorse the manual to manage implementation and operations of the PMG.

When a PMG is financed solely by the national budget, the Minister in charge of the Office of the Council of Ministers shall issue a Prakas nominating appointees and endorsing the manual to manage the implementation and operations of the PMG.

The manual shall detail procedures and operations of individual PMGs according to the Guide on Implementing and Managing Priority Mission Groups.

## Article 7

The establishment of the Performance and Accountability Committee shall be determined by a separate Sub-decree.

## Chapter III
## Size and Selection of PMG Members

## Article 8

PMGs shall be organized around positions deemed necessary to achieve agreed objectives. When PMGs positions are established as complement to MBPI positions, their establishment will be based on work supporting the establishment of MBPI positions.

PMG members shall be selected from civil servants in relevant ministries and institutions within cadre of **A, B,** and **C** categories.

The selection of PMG members shall be based on merits, experiences in light of the position requirements.

## Article 9

The selection process for PMG appointees shall be based on a thorough and transparent evaluation. The selection shall be based on the requirements of the positions and wide dissemination within the parent ministry or institutions.

## Article 10

Civil servants who are appointed to PMG shall sign a Personal Service Contract. PMG appointees who fail to follow the terms of the contract shall be terminated from PMG memberships.

## Article 11

The size and composition of each PMG shall be based on operational and functional priority needs to meet the as defined in mission and financial capabilities from the national budget and development partners to cover the costs of performance incentives to be paid to appointees.

Each PMG position shall be supported by a position description that specifies role, duties and required competencies.

## Chapter 4
## Benefits of PMG Members

## Article 12

PMG members shall receive benefits of two types:

- Monthly performance incentives as stipulated in Article 13 and 14.
- Appointees will have priority access to training opportunities to enhance the PMG and individual capacity.

PMG members continue to receive benefits available to civil servants as set out in policies and programs of the Royal Government.

Appointees shall not be entitled to receive salary supplementation from other sources.

**Article 13**

PMG members who fulfill all conditions of their personal service contract shall receive monthly incentive as follows:

Category **A**: 520,000 Riels per month
Category **B**: 450,000 Riels per month
Category **C**: 350,000 Riels per month

**Article 14**

Managers of PMGs shall receive monthly incentive of 600,000 Riels and could not received incentive as stipulate in article 13.

Staff in ministries and institutions managing the establishment, management and monitoring of PMG schemes within their jurisdiction shall receive performance incentives according to the terms of this Sub-decree or the terms of the Sub-Decree on the Establishment and Management of Merit Based Performance Incentives.

**Article 15**

When a PMG is financed exclusively through the National Budget, the payment of performance incentives to PMG appointees shall be made through the government's ICT-based payroll.

When a PMG is financed partly by development partners, the respective share of government and development partners will be set, on a case by case basis, in the framework documents establishing the PMG. In such instances, the payment of performance incentives to PMG appointees shall be made to the personal bank account of appointees drawn on a special account funded by the Royal Government and development partners for this purpose.

**Article 16**

Performance incentives as stipulated in Articles 13 and 14 of this sub-decree can be adjusted following agreement between the Royal Government and development partners.

**Article 17**

Civil servants who receive functional allowances as stipulated in Article 16 of Royal Decree No. NS/RTK/1201/450 dated 01 December 2001 on Basic Salary and Allowances of Civil Servants and Article 3 of Sub-decree No. 34 RNK.BK, dated 23 April, 2002 on Adjustment to Functional Allowances of Civil Servants, Pedagogy Fee, and Relevant Standards shall have obligations to enhance PMG processes as directed by head of the institution. The civil servants of this category shall not be entitled to receive PMG incentives operation except the head of PMG scheme as stipulated in Article 14 of this Sub-decree.

## Chapter V
## PMG Management

**Article 18**

PMGs which are established by a ministry or institution shall be under the direct management responsibility of the ministry or institution.

Ministries or institutions establishing PMGs within their jurisdiction shall be responsible for ensuring that adequate operational financing is available to the PMGs.

**Article 19**

The Performance and Accountability Committee will provide technical support as necessary to ministries and institutions and shall be entitled to monitor, evaluate, and inspect PMG operations.

**Article 20**

Ministries or institutions shall appoint a senior manager as Head of PMGs to direct, coordinate, and monitor the establishment and management of PMGs in their respective jurisdiction.

**Article 21**

The responsibilities and authorities of the Head of PMG shall be determined in the framework documents establishing individual PMGs per the Guide for the Establishment and Management of PMGs.

**Article 22**

The Council for Administrative Reform shall be responsible for coordinating the establishment, management and monitoring of PMGs in ministries or institutions.

Although individual PMGs are not subjected to time limits, periodic, at least annual, evaluations involving key stakeholders will be carried out to assess their performance, whether they shall continue and whether corrective measures should be applied to improve performance.

## Chapter 6
## Sources of Budget for PMG scheme

**Article 23**

Sources of budget for PMG scheme are:

- National budget
- Financing from development partners.

Respective contributions from the National Budget and from development partners towards the financing of individual PMGs will be determined in a Memorandum of Understanding between the Royal Government and development partners following mutual agreement.

## Chapter 7
## Transitional Provisions

**Article 24**

PMGs being currently implemented by ministries and institutions shall continue as provided in the decision establishing them. Performance incentives payments to PMG appointees shall conform to the terms of this Sub-decree when it comes into effect.

Individual existing PMGs scheduled to be evaluated and reviewed may be extended if they conform with this Sub- decree and their extension is approved by the Performance and Accountability Committee.

## Chapter 8
## Final Provisions

**Article 25**

Sub-decree No. 83 ANK/BK dated 13 August 2002 on the Establishment and Operation of PMG scheme, and Sub-decree No. 207 ANK/BK dated 28 December 2007 on the Adjustment of Incentives for PMG members shall be abrogated.

**Article 26**

The Minister in charge of the Office of the Council of Ministers, Minister of Economy and Finance, the Secretary of State of the State Secretariat for Public Functions, the Chairman of the Council for Administrative Reform, ministers, secretaries of state, and all relevant ministries and institutions shall effectively implement this sub-decree from the date it is signed.

Phnom Penh,…………………

Prime Minister

**Samdech Akak Moha Sena Padei Decho Hun Sen**

Having submitted to Samdech AKKAK MOHA SENA PADEI TECHO Hun Sen, the Prime Minister of the Kingdom of Cambodia for Signature

**Deputy Prime Minister, Minister in charge of the Office of the Council of Ministers, and Chairman of the Council for Administrative Reform**

**Sok An**

**CC:**

- Ministry of Royal Palace;
- Secretariat General of Constitutional Council;
- Secretariat General of Senate;
- Secretariat General of the National Assembly;
- General Secretariat of the Royal Government;
- Cabinet of Samdech Prime Minister
- Cabinets of Deputy Prime Ministers
- As said in Article 27;
- Official Gazette;
- Documentation- chronology.