

KINGDOM OF CAMBODIA

NATION – RELIGION - KING

Cambodia Criminal Justice Assistance Project Phase III

Flexible Support Facility -
Principles

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Australian Government

AusAID

Funded by the Australian Agency for International Development

FLEXIBLE SUPPORT FUND — PRINCIPLES

INTRODUCTION

This document articulates the principles involved in the operations and management of the Flexible Support Fund. It also provides a concise understanding of the underpinning rationale for the existence of the FSF and is meant to be read in conjunction with the more detailed FSF Guidelines which contains greater explanation of the principles and processes involved in its operations.

BACKGROUND

The Cambodia Criminal Justice Assistance Project Phase III (CCJAP III) is a joint initiative of the Royal Government of Cambodia (RGOC) and the Australian Government (GoA) funded through the Australian Agency for International Development (AusAID). The purpose of CCJAP III is to support the RGOC and other stakeholders to provide equitable access to a high standard of justice, with a particular focus on the needs of juveniles and other vulnerable groups.

The Flexible Support Fund (FSF) is an integral part of CCJAP III and is designed to allow the flexible allocation of funds against project objectives and to promote decision-making in the allocation of resources through the National Management Board (NMB).

The FSF is designed to be a flexible hybrid of:

- Priority funding for Annual Planning through the decisions of the NMB;
- Grants applications scheme that encourages other sub-national and non-government stakeholders to participate in sector building activities; and,
- A fund that is quarantined to key strategic parameters.

PURPOSE AND RATIONALE

The purpose of the Flexible Support Fund Guidelines is to provide a guide for selecting, designing, implementing and monitoring the FSF funded activities, including Capital Works, to ensure that they:

- are closely aligned with Project Goal, Purpose, Objectives and Focusing Themes set out in the over-arching Strategic Framework Document;
- incorporate the lessons learned from CCJAP II; and
- incorporate proper safeguards and quality controls.

FUNDING AVAILABILITY

AusAID is currently the primary funding source for CCJAP III. The FSF is structured to receive additional funds from other donor partners for activities that are consistent with the CCJAP III Strategic Framework. For example, DANIDA is providing funds to support selected legal and judicial reform activities. Individual donor

funds will be managed and acquitted separately to enable direct performance reporting and financial tracking for each donor whilst utilising a single trust account.

AUSAID

The Government of Australia, through the Australian Agency for International Development (AusAID) has committed AUD\$7.5 million to the FSF.

This breakdown of the FSF is as follows:

- AUD\$4 million for capital works
- AUD\$3 million to cover priorities in line with the Annual Plan
- AUD\$500,000 minimum to support approved NGO programs/activities

DANIDA

The Government of Denmark, through the Danish International Development Agency (DANIDA) has committed DK4,298,000 (the equivalent to around AUD\$950,000) to the FSF.

It is intended that these funds support **Components 1 and 4** for LJSR and Model Court activities at Kandal.

ACCESSING FUNDING

There are two process streams to access FSF funding:

1. Stream one relates directly to the FSF funding identified during the collaborative Annual Planning process and is approved by the Chairman of the NMB and later reported to the NMB Executive.
2. Stream two relates to the emerging opportunities and new ideas that occur outside the Annual Planning process. The applications for funding are screened by the FSF Screening Team (see below) and again approved by the Chair of the NMB and reported to the NMB Executive. This ensures there is flexibility in the funding process.

STREAM ONE — ANNUAL PLANNING

The Annual Planning process is a collaborative and participatory process which includes all stakeholders including representatives from partner organisations and ministries, sub-national groups, donors, CCJAG, AusAID and CCJAP Project Staff. The Annual Plan should reflect the common objectives of all stakeholders and ensure its outputs and activities directly support the National reform agenda.

The GoA and RGoC intentions for the FSF have been articulated in the Contractor's Scope of Services. The FSF will be used to fund a range of potential inputs and activities that are not covered by the Contractor's core operational budget, but which are in line with priorities outlined in each Annual Work Plan as approved by the National Management Board. The Type of inputs/activities to be funded may include:

- a) Small to medium-scale capital works, including renovations and necessary equipment or furnishings (up to an individual value of US\$100,000);

- b) Grants to organisations, such as Cambodian based international or local NGOs/civil society organisations and research institutions;
- c) Small grants to RGoC institutions/organisations that have the necessary financial management, monitoring and audit systems in place to ensure accountability and transparency;
- d) Short-term technical assistance; and
- e) Capacity building and learning activities not already provided for in the core project budget.

LINKS TO ANNUAL PLANNING PROCESS

Primarily the FSF will focus on funding new ideas or emerging issues but when the situation merits may also be used to fund other activities that directly support the expected outcomes of the Project.

Allocation of funding to National institutional and organisational counterparts will form an integral part of the Annual Work Planning (AWP) process. Such allocations will fall out of requests for assistance from key counterpart organisations during the AWP process and also from assessments made by the Project team as to inputs required to complete the planned activities.

It is expected that most funding will be generated through the AWP Process and such funding will be clearly identified in AWP documents. This will require clear identification of what constitutes a general reimbursable expense for the Project to be funded directly by AusAID and what is a key funding item requiring allocation of funds from the FSF. The AWP activities should also include sufficient information to allow any identified funding to be supported by adequate justification with clear expected outcomes.

Annually the NMB will be asked to consider and endorse the CCJAP Annual Work Plan. As part of that process the Annual Plan will outline the FSF allocations to support its activities and present them for endorsement.

On a bi-annual basis the NMB will also be asked to consider funding other inputs/activities that may emerge during the period of the AWP.

STREAM TWO — NMB FSF SCREENING TEAM

To ensure the FSF remains flexible the NMB has established the FSF Screening Team to consider funding for inputs/activities out of sessions. This FSF Screening Team will assess any funding application and make recommendations to the Chair of the NMB for approval or non-approval. The Chair will then report to the next NMB.

The FSF Screening Team will meet at least once between NMB Meetings and also has the flexibility to meet when required.

USING NATIONAL AND SUB-NATIONAL STRUCTURES

A fundamental tenet of the Australian aid program is that assistance is jointly agreed and implemented with Australia's developing country partners. This will not only continue but will be enhanced. Experience demonstrates that aid programs that are aligned with partner government priorities, are championed by local people, involve beneficiaries in design and implementation, and are aligned with partner government budgets and systems are more likely to be sustainable and effective than those that are not. This will require an

acceleration of the change to more inclusive ways of working and different implementation arrangements, both of which the aid program has begun to adopt over recent years.¹

During the first year of the operation of the FSF CCJAP will research and analyse opportunities for merging the Funding Application element of the FSF into national and sub-national systems. This will include:

- Examination of the Deconcentration and Decentralisation (D&D) structures;
- Working with sub-national Government structures in Provinces which are included in the regionalisation of CCJAP; and
- Exploring emerging development in RGoC systems and Ministries' that may present potential opportunities for incorporation of the FSF grant application scheme.

CAPITAL WORKS

The process for allocating money for Capital Works is the same as allocating money from the FSF. However, Capital Works has additional conditions and support, because of the complexities and risks involved and these are fully articulated in Annex A.

Each Component will prepare an "Implementation Menu" based on the current year's Annual Work Plan priorities. This will consist of the types of Capital Works that are suitable for supporting the Goals, Purpose of the Project, and the Focusing Themes of the Project, as well as the Objectives of the Component.

There will be a certain level of funding indicatively allocated to each Component, to ensure that every Component gets some practice and capacity building in doing this kind of work. However, the bulk of the funding will be competitively bid for by Agencies, with quality of proposal being the only criterion for funding. The selection of capital works providers will also be subject to an open and transparent process in accordance with Australia's Commonwealth Procurement Guidelines.

CAPITAL WORKS OPERATION

It is anticipated that most of the Capital Works will be done in years 2, 3, and 4. Year 1 will be devoted to preparation, but will include 8-10 select projects, to test the system. Year 5 will be focus on wrapping up activities, compiling lessons learned, and implementing an exit strategy.

Each year will be divided into two phases: selection, planning and design during the wet season; construction during the dry.

In addition to the disbursement of FSF funds, the Capital Works program will also work to help the RoGC develop broader capital works policies and strategies, to help ensure that all capital work spending — not just from the FSF — is aligned with RoGC policies and priorities. The first step in this process will be the development of implementation menus. Later steps may include an audit of all facilities, determining a

¹ Australian Aid: Promoting Growth and Stability: A White Paper on the Australian Government's overseas aid program

functional and sustainable size for the total inventory of built assets, and plans for both growing and maintaining the system.

NGO/CIVIL SOCIETY AND COMMUNITY

Applications from community-based organisations (CBO) and local non-government organisations (LNGO) are strongly encouraged, especially from those with a demonstrated history of success in implementing activities in the justice sector. CBO and LNGO must also demonstrate that they have an existing management structure and that they represent a particular community.

CBO and LNGO often require support implementing criminal justice related activities and therefore partnership arrangements with INGO or public institutions are pre-requisite to CBO and LNGO being eligible for FSF funding. INGO undertaking relevant activities are also eligible for FSF support.

A dedicated small grants fund has been established to encourage non-government participation.

FSF FUNDING PROCESS

Managing a trust fund of the magnitude of the FSF requires robust safeguards and processes which need careful explanation to ensure they do not become a barrier to accessing funds. CCJAP will conduct regular training for its FSF clients in proposal preparation, selection processes and financial reporting.

FSF documentation will be closely monitored and revised from time to time to ensure proper accountability and accessibility.

The general principles guiding the FSF funding process are demonstrated in the diagram below.

1. Stream one relates directly to the FSF funding identified during the collaborative Annual Planning process and is approved by the Chairman of the NMB.
2. Stream two relates to the emerging opportunities and new ideas that occur outside the Annual Planning process and ensure there is flexibility in the funding process.

The post award expenditure model and monitoring and evaluation process are discussed in detail in the full FSF Guidelines.

CONCLUSION

The FSF is designed to ensure RGOC ownership and to strengthen the partnership with CCJAP III. The FSF is a dynamic facility that must remain responsive if it is to remain relevant. Where improvements can be made that demonstrate benefits to the sector and sustainability of effort they will be made and presented to the NMB for approval.

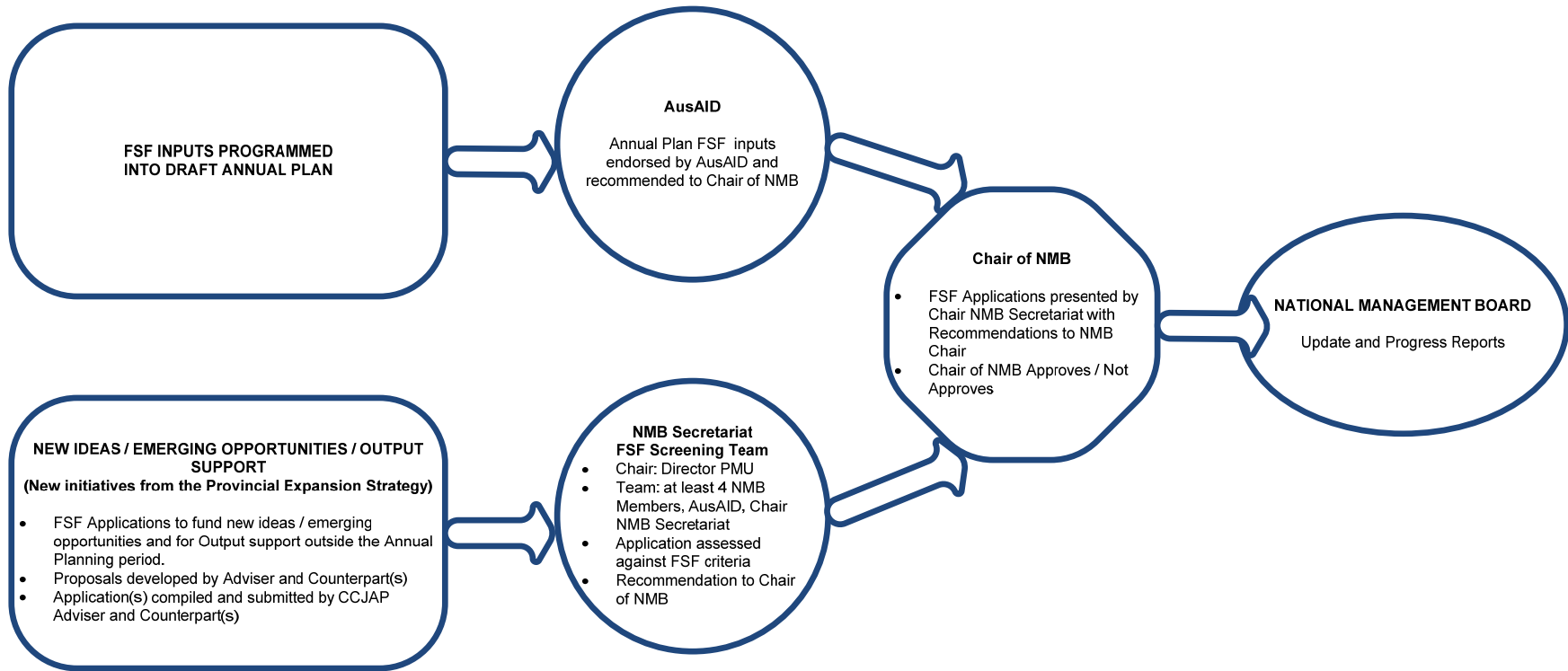


Fig 1: FSF Screening and Approval Process