



INNOVATIONS FOR SUCCESSFUL SOCIETIES

Innovations for Successful Societies Oral History Project

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MUKHERJEE: It is the 28th of October. My name is Rohan Mukherjee. I am with His Excellency Ngo Hongly, who is the Secretary-General of the Council for Administrative Reform (CAR) for the Kingdom of Cambodia. If I could just ask you sir to start off by providing a brief background of yourself and how long you've been involved with the council?

HONGLY: *A long history. I started in the reform at the end of 1994. I served as a UNDP (United Nations Development Program) consultant in Cambodia until September year 2003. So I spent more than eight years as a consultant in Cambodia to help the government's administration reform program. I was nominated as Secretary-General of CAR in January 2004. So now for five years this has been my job.*

Before all this I was in the private sector. I was a director of a big American company in France. At the end of 1994 I came back to Cambodia.

MUKHERJEE: The Council for Administrative Reform has a fairly broad mandate to engage in administrative reform in Cambodia, which includes the civil service, but also service delivery and decentralization and things like that. So could you talk a little bit about that.

HONGLY: *You are aware that after the first election in 1993 we had to build up a lot of things at the same time. We had many factions, political factions that signed a peace agreement. We had to integrate our civil service from different factions into one and we had to develop new regulations for the new objectives to rule the country after the fighting period—integration into the region and the world. So we had many things to do at the same time: building up institutions, building up capacity, rules, regulations, many things. About civil service, in October 1994 the government had to enact a law to manage the civil service, what we called the "Common Statute of Civil Service". After that, before integrating all the civil servants, we had to conduct a headcount, in February 1995.*

After that, in 1996, 1997 and 1998, we had to integrate all factions into one administration. At the same time, we had to build up, step-by-step, some rules and regulations. In 1997, we set up a model for the organization of public functions and in the beginning of 1999, we started the reforms that we continue today. We finished integrating the Khmer Rouge faction at the end of 1998 and the beginning of 1999.

So the first step in the reform was the census. We had to know who were civil servants, where they were working, their skills, their background. We conducted this census by ourselves for two years—half a year for preparation, then we started the census at the beginning of 2000 and finished in October 2001. During the period of the census, we drafted the Particular Statutes for Civil Service. We created 21 categories in a new classification system to manage civil servants—a new payroll system, compensation system.

This was a very strong period for reform. In October 2001, we submitted a strategy for rationalization to the full cabinet and the government approved. So in January 2002, we moved to a new system and started the integration of all civil servants into the new system—around 166,000 people had to be integrated into the new system, new payroll, new regulations, new classifications. Very complicated, but we did it successfully. So this was the big period. We finished completing integration and regulation around 2004. We have computerized the payroll. We can be proud, because we know exactly how many people we have

who are civil servants. We know very well, we have a tableau de bord, as they say in French, to manage our civil servants.

In 2006, we set up what we call the "Public Service Delivery Policy" to guide all civil servants our goals for public services. We defined the strategies, policies, and mechanisms to improve public services. The goal—the slogan— of the reform is to serve people better. We set up a strategy with four points: the first is to improve service delivery; the second was on pay and employment; the third is to develop capacity; and the last is to promote information and communication technology.

These were the four points of our strategy.

MUKHERJEE: Is this what the government calls the rectangular strategy?

HONGLY: *No, it is not the same. We are in the middle of the rectangular strategy. I can show you the rectangular strategy. This year rectangular strategy and our reform is in the middle. The administrative reform is a very high priority for the government. So this is the first policy that we set up. Since 2008, the goal is the same: to serve people better. But we now have a five-point strategy. The first point is to improve transparency and quality in the delivery of public services. So here we're talking about processes, the process has to be transparent and of quality. The second point is to improve accountability and efficiency in public services. We're talking about people. So we're introducing here what we call PMAS, meaning the "Performance Management and Accountability System." By using this system we're hoping to improve accountability and efficiency in public services.*

So the first point was a strategy focused on processes. The second point focuses on people, on civil servants. The third point looks at capacity development, human and institutional. Now we are preparing three policies on capacity development, human resource development, and human resource management. These policies are ready to submit to the inter-ministerial meeting for approval—all related to capacity development.

The fourth point of the strategy focuses on human resource management and payroll. Again, the focus on how do you get the best performance out of civil servants—the right man in the right place. We have to be able to have skilled people on time and where we need them. So the objective of this point is to motivate people. The last point of the strategy is deployment and personnel management. We have to maintain the pyramid of the civil service and we have to be sure that where we need skilled civil servants they can be found and developed. That is the idea.

We have also developed what we call the "Values of our Administration." We have four points: motivation, loyalty, professionalism, and service. So we published this booklet. We circulated it to everyone—all civil servants. To come back to the first point of the strategy: now all services, processes are in this book, a compendium of information on public services. This is the first book of the compendium, which was printed in 2008. Now we are ready to print two more. We hope that at the beginning of next year we will finish the book regarding the processes of public services.

So these books will contribute directly to improve transparency and quality of public services. For example, they describe in this book the name of a service, where you can get it, and how you get it, how long, and what is the cost. So any

user of public services can complain if something wrong happens. We linked this book with the PMAS. If they've not done their job, we have to find out why. If they lack the skills, we have to improve. If we don't have enough people where we need them, we need to change deployment. So the five points of the strategy link together. We're hoping this strategy set up last year will produce a good result for our administration.

MUKHERJEE: Have you had any problems implementing this, given that ministries exist with different working cultures and different problems and challenges? Have you faced any resistances from any quarters?

HONGLY: *Yes, you know, as usual, reforms hurt and meet with resistance anywhere around the world, not specifically to Cambodia, any country around the world has the same problem, including the United States. For example, (Barak) Obama tries to reform the health sector. He has some problems, big problems. We also have the same difficulties—resistance to change. So our job is not only to have good policy. We have also to have good communication and coordination with the ministries.*

MUKHERJEE: What specific steps have you tried to engage in to achieve that?

HONGLY: *All the time we use the mechanism of inter-ministerial meetings. My office will convene almost one meeting a week. We have the CAR itself with more than 10 ministers as members. After that we have a Technical Working Group, a typical working group in reform, where we have our partners from the development partners side and also from the ministry side. We have the network of working groups on administrative reform in ministries.*

Also, from time to time we organize seminars in the provinces. We go to the provinces and we invite the districts and the neighboring provinces and explain our policies.

MUKHERJEE: To speak a little bit more about that last point: for the rank and file of the civil service, to keep them motivated, to keep them in line with the government's objectives regarding administrative reform, what have you tried to reorient their attitudes?

HONGLY: *Yes, we had to implement many measures at the same time. The first was the work environment—we tried our best to reorganize the environment of work to encourage people to come to work. Secondly, we had to have career paths that made people satisfied. We also had to have a compensation system that could encourage very dynamic civil servants. But at the same time civil servants have also have also their obligations to serve the public. We hope that step-by-step behavior can change.*

For example in PMAS, a job description defines the profile of the job. We define a "management contract." So this is the instrument that we have started to put in place.

MUKHERJEE: You mentioned the compensation system for the more dynamic civil servants, are you referring to the merit-based pay initiative, or is it a separate—?

HONGLY: *Right now with the economic crisis of the world, its negative impact on our country, we froze the incentives for one year.*

MUKHERJEE: And at the moment it has been suspended because—?

HONGLY: *Because of the impact of the world economic crisis in our country we could not use the Merit-Based Pay Initiative (MBPI) and Priority Mission Groups (PMG) to implement strong controls of the people to come to work. From now on, we will set up new mechanisms to push all civil servants to come to work and to be more active by enforcing the rules we will set up. So far we have used MBPI and PMG as tools. Now we move to new tools to force people to come to work dynamically.*

MUKHERJEE: Was attendance a problem before this? Were people not coming to work? What was the situation?

HONGLY: *We have some problems because people who received incentives are happy and people who did not are not happy. So this is difficult for us to manage because of limited resources.*

MUKHERJEE: That is often a problem that people cite with competitive processes like a merit-based system—that while some people get the incentive, other people feel like they have lost out. Were there any attempts to manage that antagonism between the people who got the incentive and those who didn't?

HONGLY: *You know we implemented MBPI for only two years now as a pilot. So it takes time to have a look at what is going on well, or not well. Now the timing is very good for us to rethink this mechanism.*

MUKHERJEE: Another thing that the Council has been looking at is improving the pay and working conditions of civil servants. Could you talk a little bit about any specific initiatives that you've piloted to do that?

HONGLY: *Yes. Basic salaries have increased every year by 20%. Comparing average salaries now to those at the beginning of the reform in 2001, the average salary is now more than four times, almost five times higher. We now work on long term compensation policy.*

MUKHERJEE: Is it approaching competitiveness with the private sector now?

HONGLY: *You know, in every country public sector is so different from the private sector you cannot compare, because in the public sector you guarantee your job, not in the private sector. In Cambodia if you are civil servant you have a pension for retirement; in private sector not yet. So, if we compare, we have to compare all things, not just the amount of the salary every month.*

MUKHERJEE: A few other initiatives that the Council has piloted include the one-window offices.

HONGLY: *Yes, the Ministry of Interior has introduced a pilot in two districts. Some sectors are working well, some not yet, regarding decentralization. But as a whole, the one-window experience has been good. Now the Ministry of Interior has introduced it to the government based on experience in their program.*

MUKHERJEE: What has been the main challenge in rolling out that program, the one-window service?

HONGLY: *The challenge, as you may be aware, is about the delegation of power, delegation from the central government to the provinces is all the time a problem.*

MUKHERJEE: That's another problem that we find in a lot of other places that are trying to decentralize.

HONGLY: *I'm not dealing directly with decentralization. You may ask senior official at the Ministry of Interior. They may explain on this subject better than me.*

MUKHERJEE: There was also some type of pilot in the Ministry of Health I believe on special operating agencies. Was that something that CAR was also involved in?

HONGLY: *Yes, we are involved a lot in the health sector. We introduced a mechanism called Special Operating Agency (SOA), which is an agency that has more autonomy, but more responsibility and more accountability. We implemented this for 30 SOAs in the health sector and more 4,000 civil servants in eight provinces are involved.*

MUKHERJEE: How has it been so far? I realize it is a new initiative.

HONGLY: *I received one report last week. It is going well in one province. Now we have to look at the different provinces who implement SOAs.*

MUKHERJEE: So I'd like to talk a little about your own experiences as the secretary-general of this council. When you entered your position in 2004, what were the main priorities that you saw this council needed to address?

HONGLY: *It is a long time already, I forget. You know, transitioning from the UNDP side to the government side, my work was still the same. So I didn't have any disruption of activity at all. So let me think.*

MUKHERJEE: So in some ways there was already a strategy in place that you were continuing?

HONGLY: *Yes, for me, when my nomination came, the substance did not change but responsibilities changed.*

MUKHERJEE: In a lot of contexts, support often flounders or fails for lack of political support or the ability to build enough support within the political system. Has administrative reform had enough political support to be successful?

HONGLY: *Oh, yes. For administrative reform, we have strong support from leaders of the government. I should mention one thing more. Besides CAR, the government set up what we call "Supreme Council for State Reform" (SCSR), to oversee state reforms for the country. The prime minister is the chairman of the Supreme Council for State Reform. Excellency Deputy Prime Minister Sok An is permanent vice chairman of the State Reform and also commissioner of the Supreme Council for State Reform. I am the Permanent Deputy Commissioner of the Supreme Council for State Reform. So I have to manage the administrative reforms under the chairmanship of Excellency Deputy Prime Minister Sok An. At the same time, my second function as Permanent Deputy Commissioner of the Supreme Council for State Reform gives me a look at the rest of the reforms for the state.*

MUKHERJEE: Another issue that often stalls reform is that of vested interests. Now, when you're trying to reform an entire civil service, there are obviously individuals who were benefiting from the previous structures that were not as efficient or as smoothly operating. Have you had to overcome any such opposition to the wholesale reforms of the system that you've engaged in?

HONGLY: *I'm not clear of your question.*

MUKHERJEE: Often reform runs into roadblocks because of vested interests in the system. Individuals who stood to benefit from the previous set up.

HONGLY: *System, yes.*

MUKHERJEE: So I was wondering if you faced any such opposition to your reforms and how you overcame them?

HONGLY: *Yes, all reform has resistance at all times, at any time, even now. So when you try to change the attitudes, behavior of people, even institutions, you will encounter resistance. When we come up against this resistance, we are determined that one time is not enough, we repeat a second time. This is our approach. At the end, if we have problems we go directly to the prime minister and he decides. So that is why I said we have strong support from our leaders. When something is not going well we submit the problem to our leader and he decides.*

MUKHERJEE: What about the issue of talent, often you don't have the right people at the right places. You say even at the higher level, your team that would be carrying out the implementation of reforms or the drafting of policy or designing reforms, did you select your team? On what principles did you look for these people to help you?

HONGLY: *Every organization faces the same problem: you need the skill, you don't have it. Even on a football team. So when we face this difficulty, I convene all my people around the table and we discuss how we can do it together. They stop their work temporarily and join with me to solve this problem. So this is our spirit on the CAR. One place where we are sure of our value in CAR is that when we have difficulties, or a problem to solve, all resources come together on one point. They stop temporarily their work, they come with me to solve problem first and after the problem is solved, they go back to their own job.*

I'll give you an example. We don't have enough space. So we had to find more space outside of this building. So I convened my people, "Okay, what can we do? Who stays here? Who has to go outside? Second alternative, if we stay together here, you have to accept smaller space. What do you think?" They discussed it. At the end, together we decided that we had to stay together in one place, even in less space.

MUKHERJEE: Have you taken any steps to develop the capacity of your staff?

HONGLY: *Yes, we have been set up for two years already. We developed training for English, for project management, for risk management, evaluation and other things like that.*

MUKHERJEE: So we were talking about capacity building for your staff and my question was, once you've invested a certain amount in training your staff there is always the risk that they might leave for the private sector or an NGO (nongovernment organization) or multilateral organization. Have you faced that challenge?

HONGLY: *We face that challenge, but you know actually, H.E. Sok An who is the chairman of the CAR, he asked us to implement a policy. When we send somebody to get a new skill, they have to sign contract with us. When they come back they need to work with us for at least for five years. Also when they come back to my office, I set up a pool of young people, skilled people. They work as a team. Not just separately, but as a team. You can see them outside. When we have a big*

project, we pick some people to work on this project as a team and pool our resources. So we use them like that. In one or two years, they become experts. CAR staff are recognized as skilled professionals

MUKHERJEE: Similar to that, have you practiced any special management techniques or incentive systems to build a sense of mission and team spirit among your staff?

HONGLY: *So far there is PMG scheme, and also they are very motivated because of our style of management. We are open to them. When we have a meeting, we invite them to assist us. I came from the private sector. I spent almost twenty years in France working in a big company. So my management style is very open. People can talk freely, and if there is something to say they explain. When we decide, then everybody has to follow. My door is never closed. When they have some problem they come in. I don't understand this, or what do you think? I say okay, what do you think? And we discuss it.*

MUKHERJEE: So we've talked about deploying manpower and financial resources to get the job done and I was wondering if there was any particular project or any particular instance that comes to your mind as a big success for your organization?

HONGLY: *Yes, we start to experience inside of the CAR and we're hoping that this experience will be introduced step-by-step in other institutions.*

MUKHERJEE: We were talking about anything that stands out in your mind as a big success for your organization.

HONGLY: *The biggest success we have started to experience, as you can see, are my young people. The documents that we produced I showed to you. That was prepared by these young people as a team. They took notes. They produced a paper submitted to senior officials, and we discussed and updated it together. This is very, very successful*

I would like to mention one more thing. That is, we don't want the CAR people to be specialized in one thing. It's not good at all, because the reform is cross-cutting. You cannot specialize one by one. So my policy is that each person has to know four or five things at the same time, and one thing has to be known by two or three people. So that is why I'm very happy with the young staff and with the senior officials. They can work together. I created an environment for team spirit work. The open space concept facilitates this.

MUKHERJEE: How did you locate such a young staff, because normally government operates according to rules of seniority and you have a lot of the older generation staffing government agencies? So how were you able to put together a young team?

HONGLY: *As I already mentioned to you when we did reform here, we faced many outside challenges, but we had internal challenges as well. This was our slogan: we should be unified—solidarity. The second internal challenge for us was to be reformers. If we don't have these two things, we cannot face the challenge outside. So all the time I say to my people, please keep in mind those things, solidarity with each other—be unified as a team—and be reformers. Otherwise people will not listen to you. How you can make a ministry change if you are not viewed as a reformer yourself?*

MUKHERJEE: Did you have the freedom to recruit individuals for this?

HONGLY: Yes, before recruiting we use graduates from the Royal School of Administration the deputy prime minister assign—one or two young people, highly skilled. So we added them to staff. Otherwise we use contract people, some four or five years before they become civil servants.

MUKHERJEE: So we talked about one success and I was wondering if anything comes to your mind on the opposite side, something you tried to do but you were not able to do, it was not a success, any project or any example that you can think of?

HONGLY: I don't have any failed projects. We had some difficulties and some projects delayed, yes, but I don't have any project that failed. We were delayed because of lack of capacity, lack of finances or resources, to implement so we had delays. I use to say don't promise what you want to do but do what you can do. Our biggest challenge is our own capacity to do.

MUKHERJEE: Where do you turn to for information? As a policy maker yourself, on a daily basis you must be very busy. So whom do you turn to for advice, information? Is there a think tank or certain individuals that you rely on?

HONGLY: I have three sources. The first source, I spend some time in the countryside; I do field visits. Secondly, my think tank is the inter-ministerial mechanism, networking, etc. The third source is my people. Every Monday, I have a meeting of directors and leaders and we discuss problems. Once a month, we have a big meeting with all managers, middle management, et cetera. We discuss the issues. So these mechanisms provide me the input. At home, I listen to the information reportage (news) and I read some books and reports. So these are my sources of input. But we don't have one think tank.

MUKHERJEE: On the issue of information, when you are trying to change any particular institution, often the problem is that that institution is the only source of information about itself. So if you're trying to change a district health center and you're looking at data on the health center, it is generated by that health center. That is a challenge because the information may not be reliable. So do you try to overcome that? Is there any way that you—?

HONGLY: It is not a question of reports. A couple of weeks ago, I went to Banteay Meanchey province to see the implementation of a health insurance system that was working very well. I also visited a health center in Kampong Trach district of Kampot province where we introduced the PMG (Priority Mission Group) a couple of years ago. It's not a problem of trust. When you receive a report, the report is not dynamic at all. When you go to the field, you can see the faces of the people who are working. You can understand their frustrations, their dissatisfactions. You can see their problems in life. In the report you can see nothing at all like that. Reports are useful, but not enough. You talk to the people, you can understand. Some messages from people you cannot put on paper.

So if I'd like to propose to the government salary increases, for example, I go to the provinces to talk to teachers. Ask them, "What is your situation, etcetera" I come back and we discuss.

MUKHERJEE: OK, I think that covers all the issues that we were looking at. In closing, as I mentioned in the beginning, this is a project designed to help policy makers and leaders in other parts of the world who are trying to develop institutions and reform administrations. So I was wondering if you have anything else you'd like to add, or any advice that you have for leaders in these situations.

HONGLY: Yes, you know, reformers around the world, we have the same challenges, we have the same difficulties. But the conditions under which we implement our policy is different, each country is different. But the problems, the challenges are the same, resistance to change. You worry about the quality of your policy, fairness of your policy. You think all the time about the capacity you need to be able to implement. So these three things are on my mind all the time. But two things are very important for success. You must have determination and conviction. If you have conviction and determination, you can succeed. Second is that you must have strong political support from the top; otherwise you cannot succeed.

MUKHERJEE: Thank you very much.