

A System in Waiting: Improving Service Delivery through Decentralisation Reforms in Cambodia

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1 Decentralisation reform in Cambodia

Decentralisation reforms in Cambodia are a recent development. It is only in 2001 that the commune election law and the commune administration and management law (hereafter referred to as the commune law) were enacted. These two laws provide the general framework for decentralised governance at the commune¹ level, the lowest of the four-tier (i.e. national, province, district and commune) administrative system in Cambodia. Appointed governors govern the provinces and districts,² whereas elected commune councils govern the 1,621 communes. In early February 2002, 954 women and 10,307 men were elected as commune chiefs, first and second deputy chiefs and as councillors. The size of the commune council (a minimum of five persons, and increasing unevenly to a maximum of 11) is a function of the population of the commune, which may vary from as little as 200 inhabitants to as many as 80,000. The average commune population is about 7,600 people.

The objectives of decentralisation reforms in Cambodia, as stated by the government, are threefold: to promote democracy and good governance at the local level, to promote participation in local social and economic development, and to reduce poverty through improvement of services and access to services.³ The government's commitment to the reforms was reiterated and strengthened when, in July 2004, the new government placed decentralisation and deconcentration reforms, as part of good governance, at the core of its 'Rectangular Strategy' for growth, employment, equity and efficiency. The Prime Minister said:

The Royal Government recognizes that the implementation of decentralisation to the commune is crucial to the strengthening of democracy at the grassroots level, improving the quality of public services and participatory local development in all sectors. A key priority in local governance is to build local management capacity, provide reasonable levels of financial resources to the communes and promote the culture of participation. Indeed, decentralisation must be implemented in conjunction with deconcentration to build capacity at the municipal, provincial, and district levels, and thereby ensure harmonized and mutually-supportive and complimentary operations with and among the grassroots-level communities. (Royal Government of Cambodia 2004)

The commune law gives broad powers to the commune to govern 'local affairs' within its territory, to meet the basic needs and serve the common interests of commune residents. One of the duties of the communes, based on their authority to serve local affairs, is to '*arrange necessary public services and be responsible for the good process of those affairs*' (Art. 43 of the commune law). What the commune law does not specify – nor any implementing regulation so far – is what are the specific service functions the communes will be responsible for, for example which functions in health, education, water and sanitation, agriculture, rural development or transport will be performed by the communes?⁴ The commune law (Art. 44) mentions that state authorities may delegate powers (agency functions) to the commune, together with capacity building and budgets, but as of August 2006, only one agency function had been

delegated to communes being the registration of births, deaths and marriages.

A distinctive feature of the decentralisation reforms in Cambodia, and one which partly explains the substantial achievements of the reform after such a short period of enactment of the laws, is that Cambodia proceeded with legislation after experimentation. The emergence of decentralisation in Cambodia was not so much the transformation from a political concept into a political reality, but rather the acceptance and endorsement of an actual reality at sub-national levels, which increasingly came to the attention of politicians at the national level. Since 1996, Cambodia has implemented a programme which was a policy experiment in decentralised local development planning, financing and management.⁵ Through this programme – which started in 1996 with a coverage of 43 communes in five provinces and gradually expanded to reach full coverage to all 1,621 communes in the 24 provinces by April 2003 – a set of systems, procedures and supporting structures were developed (and often revised), which have substantially shaped the systems, procedures and structures of the decentralisation reform in Cambodia.

Such experimentation and learning-by-doing at commune, district and provincial level helped to ensure that many features of decentralisation in Cambodia had already proven their workability before they became enshrined into law and regulations. The learning-by-doing approach also meant that the communes and provincial departments were given small amounts of discretionary money to implement projects they had selected themselves right from the start. The orthodox approach would have been to identify functional assignments which the sub-national levels could or should handle, build up their capacity to do so, and then provide them with the funds they need for this. The unorthodox approach followed gave the sub-national levels some money straight away, and by using this money, and building up the capacity to use it effectively and transparently at the same time, commenced a virtuous cycle of learning-by-doing.

2 Innovative features of Cambodia's decentralisation design and practice

The decentralisation reform in Cambodia has several innovative features which were not part of the country's administrative system before, and which

potentially help to position the communes better to achieve poverty reduction through improved service delivery. While the scope of this article does not permit us to cover all innovative features in the commune governance systems, we wish to highlight three systems in particular: the finance system, the development planning system and the support system.

3 The commune finance system

As part of the decentralisation reforms, the government established a Commune Fund to transfer state and other resources to the communes. The purposes of the Commune Fund, as stated in the Commune Fund sub-decree (Art. 2) are:

- To enable the communes to assume their general responsibilities for local administration and promotion of local development in accordance with the provisions of the commune law
- To reduce differences in the relative potential of the communes to mobilise their own revenue, because of different demographic, social and economic conditions
- To act as an incentive for building the capacity for good governance of the commune councils.

To date (mid-2006), regulations for own-source revenue of communes have not been developed and the communes are thus totally reliant upon the intergovernmental fiscal transfer. In addition, there has been no development on the use of the Commune Fund as a capacity development incentive.

The Commune Fund can be resourced from central government resources as a percentage of total domestic revenues, from donor funds (either loans or grants) and from other sources of revenue to the communes. The possibility that the Commune Fund can be capitalised from donor funds is important and innovative. It avoids the proliferation of parallel funding systems by different donors, each with different reporting requirements, but instead helps to strengthen the emergence of a common fund transfer mechanism, and gives the government an instrument to somewhat equalise donor support to communes. As an illustration, the 2006 Commune Fund allocation amounts to almost US\$19 million, of which nearly US\$17 million is contributed by the government, and US\$2 million by DFID (Department for International Development), SIDA (Swedish

Table 1 Proposed categorisation of commune expenditures

	Recurrent expenditures	Investment expenditures
General administration	<ul style="list-style-type: none"> ● Allowances to councillors ● Salaries of local staff and other personnel expenses ● Rental of office premises ● Routine repair and maintenance of administrative facilities ● Utility charges ● Fuel, lubricants and vehicle maintenance ● Other consumables and miscellaneous 	<ul style="list-style-type: none"> ● Purchase of council's premises ● Major repair and maintenance of administrative facilities ● Furniture and office equipment for the council's or administration's facilities ● Purchase or rental of vehicles
Local development	<ul style="list-style-type: none"> ● Personnel and other recurrent costs associated with the operation of the local infrastructure and the delivery of related services ● Support of community development programmes managed by local NGOs and community-based organisations, including local education and information campaigns for women and youth, environmental protection and natural resources management and other programmes impacting on the welfare of the local population ● Routine maintenance of local economic and social infrastructure 	<p>The survey, design, construction, and major repair and maintenance of:</p> <ul style="list-style-type: none"> ● roads, bridges ● markets ● educational and healthcare facilities community centres, irrigation networks and structures, agricultural storage facilities ● water and power supply ● other economic and social infrastructure

Source Romeo 2001.

International Development Cooperation Agency) and UNDP (United Nations Development Programme).⁶ The government contribution includes an estimated US\$6 million from a World Bank loan.

The design of the commune finance system fosters predictability from the resource flow to the communes, and clearly defines what part of a commune's allocation may be used for general administration (not more than one-third) and what part needs to be used for local development (not less than two-thirds). Unspent funds from administration can be transferred to the development budget, but not the other way around.⁷ The overall level of central government resources allocated to the Commune Fund is determined for a period of three years in advance, so the communes have a clear idea of what level of support they may expect from the state. This was intended to be a yearly update of a three-year projection of the percentage of domestic

revenues to be allocated to the Commune Fund. In practice, there have only been two three-year predictions so far. The first time in 2002, which established that in the first three years of its operation, the government contribution to the Commune Fund would be Cambodian Riel 20 billion (US\$5 million) in 2002, no less than 2 per cent of recurrent revenues in 2003, and no less than 2.5 per cent in 2004. The second announcement was made in mid-2004, which established the percentage of 2.52 per cent for 2005, 2.54 per cent for 2006 and 2.56 per cent for 2007.

These percentages indicate that the amount of resources allocated to the Commune Fund (averaging US\$1.5 *per capita* in 2006) is small by international standards. This parsimony, and the levelling off of the percentages of the government contribution to the Commune Fund, raise doubts as to what extent the government seriously pursues its stated objectives of

the decentralisation reforms. It also raises the question whether the actual (unstated) objective was not first and foremost political decentralisation, with little intent to vigorously pursue real service delivery by, and delegation of functions to, the communes.

The predictability of the overall resources is matched by a broad predictability and transparency in the allocation of resources to the communes. Less than one-third of the total Commune Fund allocation is earmarked for general administration, and is allocated to all communes in proportion to the number of councillors they have. At least two-thirds of the Commune Fund is allocated in support of local development annually. This clear delineation in the use of the Commune Fund avoids safeguards against the commune councils spending the bulk of available development funds on improvement of administrative facilities, at the expense of serving the development needs of the local population.

The calculation of the allocations to individual communes for local development is achieved through a distribution formula, which takes the following three factors into account:

- A base allocation (amounting to 35 per cent of the total Commune Fund allocation for 2005) evenly divided between all communes
- A population factor (amounting to 35 per cent) based on the number of commune councillors as a proxy for the population
- A poverty-related factor (amounting to 30 per cent) based on a compounded poverty indicator.

The allocations for general administration and local development to the communes are publicly announced, and all communes in a province are aware of how much each of them receives.

In the design of the finance system (Romeo 2001), it was proposed to have a clear distinction between recurrent expenditures and investment expenditures, for both general administration and local development, as indicated in Table 1.

This categorisation would have allowed the commune to use its local development funding to finance either local infrastructure development or the delivery of services, reflecting that both infrastructure and delivery

of services requires capital investments and funding to cover operational or recurrent expenditures.

Unfortunately, this clear separation between recurrent expenditures and investment expenditures for both administration and local development did not appear in the regulation for the finance system, where the two types of expenditures for general administration and local development were combined and mentioned as 'recurrent and investment expenditures' (NCSC 2002). What made matters worse was that the capital revenues (which almost exclusively consist of the local development component of the Commune Fund) were restricted to financing investment expenditures, while the recurrent revenues (which consist of the administration component of the Commune Fund and little else as the communes have not yet been empowered to raise own source revenues) were expected to cover all recurrent expenditures. As a consequence, the top-right and bottom-left cells in Table 1 had little or no funding, which is particularly important for local service delivery, and its operation and maintenance.

Measures have since been taken to redress the situation (MEF 2003), but it treats the use of local development funds for service delivery as an allowable exception of the general rule that the Commune Fund supports small-scale local infrastructure, rather than as a legitimate use of the funds in their own right. The financing of local delivery of services, while possible in principle, rarely occurs.

4 The commune development planning system

Planning for local development, if it is to be meaningful, needs to be done with the predictability of known and available resources to implement the selected priority activities. If planning is done without such knowledge, it quickly degenerates into the production of extended 'wish lists' of potential projects that stand little chance of ever being implemented. As indicated above, the information on the commune's allocation from the Commune Fund, which is normally announced some two to three months before the start of the fiscal year, helps to make planning meaningful. It should also be noted that the regulatory framework states that the communes are to be provided with the Commune Fund figures for three years in advance.

In 2002, every commune prepared a five-year commune development plan, and in the years

Table 2 District Integration Workshop results (2002–5)

Year	No of commune high priority requests	No of temporary agreements				% responsiveness to high priority commune requests
		Government departments		NGOs and private donors		
		Matching high priority commune requests	Not matching high priority commune requests	Matching high priority commune requests	Not matching high priority commune requests	
2002	41,745	8,953	10,690	3,451	7,273	30
2003	37,936	8,514	13,100	4,373	6,744	34
2004	44,999	7,520	14,087	4,606	11,332	27
2005	43,330	8,290	13,590	4,085	10,229	29

2003–6, they prepared updated three-year rolling commune investment programmes. The preparation of the commune development plan and the commune investment programmes follows an 11-step planning process of which the first two steps are participatory needs assessments at village and commune levels. At the end of the planning and budgeting process, the commune council submits its commune development plan or programme and its budget for the next year to the provincial authorities for legality checks. The important aspect here is that the communes do plan against known and secure resources and not merely draw up a wish list of potential development activities.

To ensure broader participation in the development planning beyond the 5–11-person commune council, a planning and budgeting committee assists the council in preparing the development plan, annual investment programme and budget. Each village in the commune, of which there are on average eight, has in principal at least two representatives on the planning and budgeting committee, one man and one woman. This helps to ensure that conditions exist for women to voice their concerns and needs in the planning process (although it must be admitted that a woman's presence by itself does not automatically result in gender-responsive local development planning).

Cambodia's decentralisation system promotes participatory governance but there are no consultative mechanisms in place that enable the poor to voice their interests beyond their participation in the commune development planning process. This offers them no guarantees that the

budget which the commune council submits to the provincial authorities will include activities that will benefit them proportionally more than the better-off commune residents. An interesting approach, which is being piloted in a few provinces, is the participatory identification of the most vulnerable families in the commune (GTZ 2004). This information has been of benefit in two ways. It has resulted in some commune councils selecting development activities which specifically benefit poor rather than less-poor commune residents, as well as informing some provincial departments, and other service providers, to use this most vulnerable families list for selecting the households which should receive first priority for the services they offer.

Another innovative aspect of the commune development planning process in Cambodia – especially from the perspective of strengthening commune level services delivery and accountability – are the District Integration Workshops. These workshops take either half a day or one full day, and are held in each of the 185 districts, between mid-September and mid-November. The workshops are attended by between three and five representatives of each commune (of which at least one should be a woman); representatives of provincial departments of line ministries (quite often the heads of departments) and their district staff; and representatives of non-governmental organisations (NGOs) and international organisations working in the district. The main objective of the workshop is to achieve better alignment and integration of the development plans of provincial departments, NGOs and other agencies, and those of the communes themselves. Commune representatives negotiate

potential support for their communes with other parties, and such agreements for support and/or collaboration are formalised as temporary agreements ('temporary' not because the possibility of funding is uncertain, but because the projects and activities that are the focus of the agreements may still have to undergo a feasibility and detailed cost study, to confirm that the actual costs remains within the budget limitations).

The majority of high-priority commune requests⁸ are for construction, repair or rehabilitation of physical infrastructure and the provision of equipment and material inputs. The emphasis on basic infrastructure is understandable, as most communes perceive inadequate facilities and reduced accessibility as the greatest constraints to local economic development and the better delivery of health, education and other services. Communes frequently also request services and in-service training programmes, which they know provincial departments and donor-supported programmes can deliver (such as posting and training of teachers, vaccination campaigns, support to village veterinarians, clearing of landmines and the regularisation of property rights through land titling). Requests for general education and vocational training activities are also quite common.

Table 2 gives the results of the District Integration Workshops during 2002–5 for the whole country. It shows the number of temporary agreements that were signed by government departments, NGOs and private donors for activities or projects that match high priority requests from the communes; and for activities or projects that did not match commune high priority requests but were instead proposed by the government departments, NGOs or private donors themselves.

On average, nearly one-third of the commune requests receive positive responses, however it should be noted that this high percentage is to a large extent because the provincial departments receive donor funds for investment, which they are expected to allocate in response to commune requests. The ability of provincial departments to respond to commune requests, and integrate local demands in their own sector planning process and with the national budget, is still very limited, if not impossible. It is constrained by the lack of deconcentration and provincial autonomy in programming national sector resources, and by the limited resources available for provincial

level planning and budgeting. The linkages which are forged between the commune plans and sector plans are thus still largely induced by the availability of donor funding, rather than through the commitment of government funding from the national ministries.

One other aspect of the temporary agreements is worth noting. The temporary agreements also play a key role in strengthening accountability. At the workshops, the communes can publicly question provincial departments or NGOs, and ask them to account for temporary agreements they signed with the communes in the previous year but which they did not honour. Such questioning of provincial departments or NGOs by communes is quite a role reversal.

The main criticism against the commune development planning system is that it is too time consuming, when compared with the small amount of resources which the communes have to finance local development. The fact that the communes – and all the villages in the commune – are expected to do a yearly update of their development needs in a participatory manner is also seen by some as excessive planning, as conditions and development needs are unlikely to have changed very much in one year.

5 The decentralisation support system

Support for decentralisation is provided by the national, the provincial and the district level. At national level, a National Committee for Support to Communes/*Sangkats* (NCSC) was created to facilitate the implementation of the commune law, together with the establishment of a Department of Local Administration in the Ministry of Interior, and a Department of Local Finance in the Ministry of Economy and Finance (the latter is meant to be the secretariat for the – still to be established – Commune Fund Board).

In each province, support for decentralisation is provided through a combination of government support and donor support. On the government side, there is the Provincial Local Administration Unit (linked to the Provincial Governor's Office), and a Contract Administration Unit, a Technical Support Unit and a Finance Unit of a Provincial Rural Development Committee. This committee, headed by the Provincial Governor, manages and coordinates the support for decentralisation. The staff in all these units are civil servants, who receive monthly salary

Table 3 Commune Fund use by project type (2002–4)

Type of project	2002		2003		2004		Total	
	Projects (n)	Amount (US\$)	Projects (n)	Amount (US\$)	Projects (n)	Amount (US\$)	Projects (n)	Amount (US\$)
Transport	422	2,388,153	1,189	5,156,081	1,139	6,102,571	2,750	13,646,804
Water supply	164	606,314	261	799,404	152	600,322	577	2,006,041
Education	65	475,017	92	584,435	74	519,688	231	1,579,140
Irrigation	69	312,570	329	1,201,967	324	1,592,657	722	3,107,194
Health	2	1,916	7	22,043	3	6,945	12	30,904
Drainage and flood protection	0	0	49	114,254	39	249,575	88	363,830
Other	6	18,840	12	31,031	8	15,646	26	65,517
Total	728	3,802,810	1,939	7,909,215	1,739	9,087,404	4,406	20,799,430

supplements to complement their meagre wages. In every province, there is also a team of donor-supported advisers who advise and/or assist the staff of the above-mentioned units, and of various provincial departments, to implement programmes and projects in support of decentralisation.

District-based or assigned facilitators of the Local Administration and the Technical Support Units interact most actively with the communes and the appointed commune clerk. They are the most important – but unfortunately often also the weakest – link in the support and supervision and capacity building⁹ to the communes for development planning and project implementation, and other tasks that already have been assigned to the communes (such as civil registration and reporting). Notwithstanding their relative weakness, without the support of facilitators and technical support staff, the achievements of the communes after four years of decentralisation would be much smaller than they are now.

The main constraint against the support structure at sub-national levels is that it is reliant on donor support to pay the salary supplements. The issue of salary supplements will be addressed through the public finance management reforms.

To summarise, it can be said that the commune finance system, the commune development planning system and the decentralisation support system potentially enable the communes to engage in poverty reduction activities at the local level, but the lack of functional assignments, scarcity of resources and the limited

capacity of both commune councillors and facilitators, somewhat limits the realisation of this objective.

6 Investments and service delivery at commune level

6.1 Commune Fund projects during 2002–4

Over the period 2002–4, the communes invested nearly US\$20.8 million of their Commune Funds in local development. Table 3 shows the number of projects for various project types, and the amount of funding for each of these. It shows that nearly all funding was used to finance small-scale civil works. Over the three-year period, 66 per cent of the total has been spent on transport projects, involving the construction, improvement and/or repair of roads, small bridges and culverts. Together with the money spent on irrigation, drainage and flood protection, some 82 per cent of the local development funding available to the communes has been spent on economic infrastructure. Social infrastructure investments (covering water supply, and the construction and repair of educational and health facilities) amounted to 17 per cent of the total.

It is estimated that in 2003, some 880,000 households, representing 4.7 million people in 5,630 villages (roughly one-third of the total population) benefited from these commune projects (NCSC 2004).

7 Obstacles to service delivery at commune level

Service delivery at commune level can occur in two forms. First, there are the services that can be delivered by the commune council itself, or which the council contracts from a third party. These can be services which the commune has selected on its own

initiative, or they can be mandated agency functions. Second, it can be a service which is delivered through a line department or an NGO.

Service delivery by the communes themselves has been limited for the following reasons:

- As stated above, most communes see lack of infrastructure as the main constraint for local development and accessibility to services. Construction or repair of facilities is therefore preferred over funding of recurrent expenditures for delivery of services
- During the first three years, the capacity building and familiarisation of commune councillors with budgeting and implementation procedures of commune projects has mostly focused on infrastructure development. This may have kept some communes from selecting other types of projects
- There are as yet no clearly defined responsibilities for minimum service delivery, nor is there any specification of a minimum percentage of local development funds that needs to be allocated for local development recurrent expenditures. Contracting of infrastructure is an easier and a more visible expression of commune council activity than the contracting of services (especially when considering re-election)
- The delegation of agency functions for basic services (with corresponding resources and support) to the commune councils has hardly happened, primarily because the ministries have barely started to identify which agency functions the commune councils could deliver more effectively than under the current delivery arrangements. Even if suitable agency functions for communes have already been identified, the budgetary uncertainties might not guarantee that the communes would receive the resources to implement these.

It also needs to be said that promoting the allocation of development funds for non-infrastructure projects may not necessarily yield the best value for money. With 30 per cent of the communes having a population of less than 5,000, many communes may be too small to deliver services effectively. One of the working groups of the NCSC is responsible for reviewing the commune boundaries, and to

determine the viability of communes as service delivery units, but the working group has barely met and not produced any outputs so far.

Service delivery through deconcentration to provincial or district offices of line ministries is also hindered by the fact that sector budgets in Cambodia are highly centralised, with little deconcentration to provinces. On average, 80 per cent of the provincial budget is allocated through national line ministry budgets and Priority Action Programmes, but with limited discretion for the provinces on how this is spent. In 2003, close to 60 per cent of these budgets was needed to cover salaries, with another 20 per cent for operations, leaving 20 per cent for other expenditures, which is not enough for provincial departments to enable them to fulfil their mandate in a meaningful manner (Bartholomew and Betley 2004).

There is often also a gap between the budget and the actual releases. The Priority Action Programme for health, for instance, in 2002 only received 53 per cent of the planned national priority funds and 80 per cent of the planned provincial priority funds, while in 2003, this deteriorated to 37 per cent and 56 per cent, respectively. In the current mode of operation, the budget system of the provincial governor's office, as well as the provincial level national budgets, do not give appropriate incentives for accountability for the provision of priority, locally based services to the local population (Bartholomew and Betley 2004: 31).

In April 2005, the government presented an overall vision for decentralisation and deconcentration reforms in Cambodia (RGC 2005) but many important aspects are still unclear. One important, as yet unresolved, issue is whether deconcentration will primarily happen through the transfer of a larger share of sectoral ministry budgets at national level to their provincial departments, or whether the national budget allocation to sector ministries will be reduced, and be compensated for by an increased transfer of resources to the provincial authorities, who will then allocate these to the provincial departments.

8 Conclusion

Cambodia has made progress in the past few years in developing a multi-level government system, particularly with respect to the elected commune/*sangkat* council system. The progress is noteworthy

given Cambodia's historically heavy centralisation, extreme poverty, and institutional weakness. Many features of the commune/*sangkat* system have been defined on the basis of international experience and lessons from in-country experiments with decentralised development (Smoke 2003).

Decentralisation in Cambodia has started prudently, with the communes being given a limited amount of funding to cover administrative and local development expenses. Through experience gained from implementation of small-scale infrastructure projects and a few limited administrative functions, and with the support of district-based facilitators, the commune councils have become more prominent players at the local level. Decentralisation has also brought with it a more participative and democratic approach to commune governance than before, and the ability of the commune councils to provide services and local development – albeit rather limited at this moment – helps them to gain political credibility *vis-à-vis* their local constituency. Service delivery for such areas as education and health, which are often the remit of local governments, are not yet being provided by the

Cambodian communes, largely because the scope of commune involvement in such services – and more importantly the mechanisms for service provision and the resources needed for this – has not been agreed upon by the concerned ministries.

Meaningful decentralisation hinges on the communes having adequate resources. For most communes, the intergovernmental transfer system will remain the main source of funding, but new sources of local revenue will become increasingly important to help finance the costs of commune service delivery. Such 'own' sources of revenue further strengthen the connection of the commune councils to their constituents, and offers the prospect for improved resource allocation. A gradual and pragmatic approach to increase the responsibility for service delivery by commune councils can contribute significantly to local poverty alleviation, if it is implemented in parallel with broader public sector reforms. However, if these further initiatives do not progress, it is difficult to see substantive decentralised rewards and outcomes beyond the political domain.

Notes

- 1 The two laws apply to communes, which are located in provinces, and to *sangkats*, which are the equivalent of communes in a municipality. In the text we use the term 'commune' to refer to both the commune and the *sangkat*.
- 2 For the sake of expediency, and as there is as yet no differentiation of powers or functions between provinces and municipalities, we use the term 'province' as shorthand for both provinces and municipalities, and 'district' for both a rural district as well as its municipal equivalent, the *khan*.
- 3 A less clearly stated objective but one which was probably also on the mind of the political parties, is that the commune council election of February 2002 would help to rejuvenate and expand their political basis in the communes for the central party, in preparation for the national election of July 2003. However, this effort to strengthen the political dimensions of decentralisation has been at the cost of paying less attention to capacity development, administrative aspects and service delivery through sectors.
- 4 It is worth noting, however, that the long-awaited Organic Law (on sub-national governance) is meant to designate sector functional assignments. As of September 2006, a draft of the proposed law was only available for internal review within the government.
- 5 For more information on this programme, known as the 'Seila Programme', see www.seila.gov.kh
- 6 In 2006, another US\$3 million is added to this from donors, e.g. IFAD, Danida, UNICEF and Concern. These funds are allocated in support of development at the commune level, using the implementation mechanisms agreed for the Commune Fund projects, but with the money being disposed directly into the commune accounts, without being incorporated into the Commune Fund.
- 7 The likelihood of this happening is virtually nil, since the salaries that have been awarded to commune councillors are quite substantial compared with the salaries of civil servants, and the total of these salaries exceeds the one-third of the current Commune Fund total. Only part of these salaries' expenses is therefore provided through the Commune Fund. The remainder comes from the provincial budget line which was used when commune chiefs were still Ministry of

Interior employees, before the 2002 election (Smoke 2003: 40).

- 8 The communes are asked to submit only their high priority requests for discussions with line departments and NGOs at the District Integration Workshops. The high priority requests should make up about one-third of all commune requests, the other being medium and low priority.

- 9 In 2002–4, there has been an extensive programme of capacity building to all commune councils, primarily to enable them to plan, budget and implement projects and governance tasks effectively. There is currently a shift from across-the-board training to more targeted and in-response-to-needs training.

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