

Draft



Cambodia

THE EC-UNDP PROJECT

Strengthening democratic and decentralized local governance in Cambodia:
Building local capacity through networking and local-local cooperation

2007 Annual Narrative Project Progress Report

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Abbreviations:

| | |
|--------------|--|
| AWPB | Annual Work Plan and Budget |
| C/S Councils | Commune/Sangkat Councils |
| CfD | Center for Development |
| DDLG | Democratic and Decentralized Local Governance Project |
| DIP | District Initiative Programme |
| DOLA | Department of Local Administration, Ministry of Interior |
| EC-UNDP | European Commission-United Nations Development Programme |
| ExCom | PRDC Executive Committee |
| FCM | Federation of Canadian Municipalities |
| ICC | Inter-Communal Cooperation |
| IP | Implementing Partner |
| KAF | Konrad Adenauer Foundation |
| MOI | the Ministry of Interior |
| MOU | Memorandum of Understanding |
| MTR | Mid-Term Review |
| NCD | National Contract Database |
| NLC/S | National League of Commune/Sangkat Councils |
| NRML | Natural Resource Management and Livelihood |
| PAC/S | Provincial Association of Commune/Sangkat Councils |
| PLAU | Provincial Local Administration Unit |
| PMC | Project Management Committee |
| PSC | Project Steering Committee |
| RGC | Royal Government of Cambodia |
| TWG | Technical Working Group of DOLA/MOI |
| UCLG | United Cities and Local Government |
| VNG | VNG International |
| WfP | Women for Prosperity |

Ministry of Interior
Department of Local Administration

2007 Annual Narrative Project Progress Report

EC-UNDP Project – DDLG, ID 00049185

Reporting period January to December 2007
Project title Strengthening democratic and decentralized local governance in Cambodia: Building local capacity through networking and local-local cooperation

1. Overall Coordination and Management

1.1 Overall project coordination and management

2007 marked the second year implementation of DDLG Project out of its five years plan (2006-2010), for which the budget was considerably increased 3 times of 2006 total budget. The rate of total expenditures in comparison against 2007 total approved budget (USD 3,137,327.00) is USD 2,650,830.69, equal to 84.49% with the following breakdowns: 55.45% for investment, 15.57% for human resource and 13.48% for capacity building. 2006-07 budget carryovers will be planned in 2008 AWPB in addition with annual budget to be disbursed by EC for 2008.

Aiming at strengthening the independency of the NLC/S, the Ministry of Interior as a main IP, authorized UNDP to disburse project budget directly from UNDP to bank account of the NLC/S for running its activities with minimum supervision from the Department of Local Administration. However, the Ministry of Interior remains accountable to EC/UNDP donors. In this regard, regular support and interventions were provided to the NLCS to build a strong internal control system for proper use of EC/UNDP provided fund in consistency with NCDD financial rules/system and particular terms/conditions agreed with the donors.

Annual project audit exercise on financial operations by KPMG and annual project monitoring by EC were carried out in late first quarter and earlier second quarter for initial year of the project implementation. The reports of both external missions were positive in general and also provide some recommendations to improve the implementation more effectively.

First coordination meeting of the DDLG Project Steering Committee was conducted on 26 June highlighting considerable achievements of the project made in first semester. The Ministry of Interior, development partners (EC/UNDP) and stakeholders recognized that the setup of C/S Councils networks made positive contribution to policy formulation and democratic and decentralized development at local level. Anyhow, the association of C/S Councils and National League of C/S are new innovations for advocacy purpose in Cambodia context. Thus, it needs more time and great support in financial and technical aspects from the Royal Government's institutions, development partners and concerned stakeholders to enable these newly established institutions become the mechanism for solving problems and bringing the information related local governance upward and downward in transparent and accountable manners.

Second coordination meeting of the DDLG Project Steering Committee was held on 18 December placing strong emphasis on project implementation oriented to the evolving D&D process, especially at the stages of Organic Law formulation and implementation. Capacity building for C/S Councils still remains priority for the project and this intended to integrate in NCDD Capacity Building Plan.

1.2 Creation of voice, accountable mechanism and associations

The creation of voice was started implementation in year 2007 through organization of fora. The fora aimed to create a space for dialogue and discussion amongst commune councilors, and with other stakeholders such as district and provincial governors, senators, and ministerial representatives on local democratic and decentralized development. Based on experiences shown that possibility of forum organizations was closely related to main actors such as EC-UNDP, DDLG regarding technique and finance, NLC/S, senate secretariat and MOI related to legal communication and coordination and other stakeholders (ministries, commune councils, provincial and district authorities etc) for involvement.

The establishment of PAC/Ss and internal strengthening of the NLC/S and PAC/S correlates to technical supports from different stakeholders, especially the MOI and other development partners such as EC-UNDP, GTZ and KAF. Within a year 2007, a strategy was designed to support 6 PAC/S through contracting with CfD for strengthening internal management and providing services to the members. The technical assistance of the MOI TWG and DDLG advisors for NLC/S is still needed. However, to be built up capacity and strengthened NLC/S and PAC/S as independent institution, NLC/S needs to build more partnership with other local government associations such as VNG, FCM and UCLG. With regards to establishment of PAC in remaining 8 provinces, NLC/S plays important role, however, technical assistance of the MOI TWG and DDLG project advisors are still required due to the secretariat of NLC/S have not enough professional staffs yet.

1.3 Inter-commune cooperation for pro poor projects

10 MOUs between DDLG PSC (MOI Secretary of State) and 10 targeted provinces (provincial governors) were signed and total ICC investment fund of USD 1,739,530 was transferred to PRDC ExCom Accounts in three installments for implementing ICC pro poor projects.

70 ICC projects were selected, approved, procured, and have been implementing in 44 target districts/Khan within 10 target provinces and municipalities, in which 153 communes/Sangkat have benefited directly from these projects. Total committed budget is USD 1,497, 982 due to some projects were canceled and re-bided, some were abandoned by contractors and few need to be amended for using budget left behind bidding (Annex 3: ICC Project Progress Report, as of Dec 2007).

Field monitoring on ICC projects implementation in 44 target districts/Khan undertaken by ICC TWG and DDLG project staff so that to improve the capacity of Provincial/Municipal Technical Team in providing further technical assistance and support to C/S in project implementation and management. Moreover, ICC TWG collected data/relevant feedbacks from field monitoring for inputting in refinement of ICC Project Selection and Implementation Procedures for the following year.

As above mentioned, DIP and ICC TWGs held a series of separate and joint technical coordination meetings to review and refine ICC project selection procedure, focused on the following aspects:

1. Accountability and ownership of commune/Sangkat in implementation and management of ICC projects
2. Encourage the NLC/S and PAC/Ss to be involved in ICC projects selections
3. To simplify process and procedures to ease the capacity development of C/S Councils
4. to develop common guidelines on project selection process for three initiatives (ICC, DIP and NRML Project)

As a result, a common guideline on inter-commune project selection was refined and approved by the MOI and now being used jointly by ICC, DIP and NRML. Additionally, guideline on ICC Project Implementation was also refined and approved by the chairman of DDLG PSC for implementation in 2008

Training workshop on inter-commune Project Selection and Implementation Guidelines were jointly conducted in cooperation with TWG/DI, attended by 260 participants from all 24 provinces and municipalities that were divided into 5 courses. Composition of each ICC target province and municipality included 1) Permanent Member of ExCom, 2) PLAU, 3) TSU, 4) Staff of Planning Department, 5) LAA, 6) NRML advisor, 7) District/Khan governors

In order to ensure quality and effectiveness of project implementation as well as to improve selection and implementation procedures of ICC projects next years, internal review on implementation of ICC projects was conducted by TWG/ICC with participation from communes/Sangkat and target provinces and municipality. Additionally findings of the review were discussed in the 2007 reflection workshop attended by participants from all 10 target provinces and municipalities. (Please read more on Internal Review Report)

To expand cooperation coverage between commune/Sangkat and commune/Sangkat, TWG/ICC organized a meeting to discuss initially about possible procedure that will allow any communes/Sangkat in different districts/Khan, not just communes/Sang Kat in the same district/Khan, (but in the same province and municipality) to cooperate with each other. The concept has been discussed and agreed by project manager, and used as inputs to draft guideline for piloting in 2008

In order to encourage communes/Sang Kat and improve their capacity in preparation implementation, and management of non physical infrastructure projects, the international consultant was recruited, along with clear terms of references, to develop guideline for this type of projects (Non-Physical Infrastructure Projects)

As of December 2007, 72 ICC projects (2007 budget), in which 08 projects are non physical infrastructure projects, have been committed. So far, the projects have been completed approximately 70%, in which 24 projects completed 100%, 22 projects completed between 50% - 95%, 08 projects completed lower than 50%, and other 18 projects have not yet started (please read the annex)

2. Progress overview against project expected results and planned activities

Actual achievements against planned project outputs/results and activities:

| Expected results/planned activities | Actual Activities/Progress |
|--|--|
| <p>Expected result 1: clearly defined and operational mechanism and increased capacity put in place for good communication, accountability, dialogue, and partnership between commune councils and all other stakeholders to address issues of local governance</p> | |
| <p>A. Creation of voice and accountability mechanism</p> | |
| <p>Activity 1: Development of better mechanisms for multi-stakeholder dialogues through District and Provincial Forums among CCs & sub-national authorities, CSOs/NGOs, citizens & other stakeholders</p> | <ul style="list-style-type: none"> • Three regional fora in cooperation with the Senate have been implemented. The first one in Region number 4 on July 5 (Banteay Meanchey Province), the second one in Region number 7 on September 25 (Koh Kong Province) and third one in region 1 on December 7 (Phnom Penh). • Participants of these fora were commune councilors, PLAU, district and provincial governors coming from 11 provinces and municipalities plus senators and ministerial representatives (more than 200 participants in each forum). • These fora provided the Senate and participating ministries with an opportunity to present their key issues directly to commune councilors. For the commune councilors it was an opportunity to learn and share some of their interests and concerns for solution. • A MoU has been signed with Women for Prosperity (WfP) to organize female fora in Svay Rieng and Kampong Cham (2 fora in Svay Rieng and 3 fora in Kampongcham). The objective of the fora is to provide female councilors an opportunity to meet, share experiences and learn together (33 female councilors in each forum) • Under support of EC-UNDP, CfD organized a district forum at Kampong Thom province. The forum aimed to share concerns and experiences among communes at district level. |
| <p>Activity 2: Development, piloting & implementation of a recognition / promotion system for good local governance practices & innovations for CCs and other stakeholders</p> | <ul style="list-style-type: none"> • NLC/S, CCSP and DDLG project manager initiated and discussed about commune/Sangkat best practice awards. This initiative was submitted to NCDD for official approval. |
| <p>Activity 3. Local-to-local exchange program for CCs, local authorities, CSOs, and local citizens</p> | <ul style="list-style-type: none"> • The exchange program will be based on the awarded communes and only start after the award. |
| <p>Activity 4: Capacity development</p> | <ul style="list-style-type: none"> • A training session on association has been |

| Expected results/planned activities | Actual Activities/Progress |
|---|---|
| for effective participation in and improved management implementation of local governance activities | discussing with relevant stakeholders, especially DOLA, as result, this session was included in NCDD capacity building plan for year 2007, however, the training could not implement due to NCDD was busy with commune election and development of organic law. The curriculum for the training has been finalized. The materials are partly developed. |
| Expected result 2: Network of commune councils established with institutional guidelines, and long-term objective to create a NLC/S, for improved co-operation among commune councils and other actors and promotion of good conduct and practice. | |
| B. Establishment of Commune Council associations | |
| Activity 5: Development of the capacity of commune/sangkat councillors through councillors training needs assessment and training providers guided to address the needs | <ul style="list-style-type: none"> • MOI approved NLC/S training proposal on leadership and communication skill for Excom member of NLC/S (35 people) • The training was organized in two modules: 25-27 July in Battambang and 14-16 August in Koh Kong. • The training looked at leadership in general, identifying individual leadership styles, different forms of communication, conflict, how to work with the media and how to run meetings. An important element of the training was team building among the NLC/S ExCom members. |
| Activity 6: Design of a self financial reliance system through resource mobilization from different sources. | <ul style="list-style-type: none"> • A draft of admin and financial policy has been discussing with DLOA and DDLG advisors. This policy has been discussed and endorsed by ExCom, and then, NLC/S chairperson officially sent it to MoI and UNDP for their comments before asking approval of NLC/S council at the meeting in November. • The NLC/S advocated with NCDD/MoI, MoEF and NT to ensure the commune/Sangkat can include the membership fee in the C/S budget and to identify the appropriate budget line (permission Letter 054 NCDD, dated 6 March 2007, Letter of NT numbered 116, dated 18 January 2007 allowed C/S to use budget line 61.9 of C/S fund and MOEF letter 290, dated 25 January 2007). • Commune/Sangkat can budget and pay the membership fee using the commune/sangkat fund with amount of 300,000 Riels each commune per year. • All 16 PAC/S have been discussed with Provincial Treasury regarding membership collection process. All 16 PAC/S completely collected the membership fees and they all transferred 15% of collected budget to NLC/S account. |
| Activity 7: Strengthening of the | <ul style="list-style-type: none"> • Negotiations between NLC/S and VNG, FCM and |

| Expected results/planned activities | Actual Activities/Progress |
|---|---|
| <p>institutional capacity of NLC/S and PAC/S (through extending association members, internal policy development, clear role defining, and transparent information sharing)</p> | <p>UCLG have successful result.</p> <ul style="list-style-type: none"> • VNG committed funds for staff and technical assistances to NLC/S (2007 Q4 with budget amount of 2594 Euros). • UCLG provided scholarships for 8 NLC/S delegates participating in Water sanitation supplies, Republic of Korea (October) and 2 participating in solid waste management workshop Vietnam (November). • Assessment of FCM to support the NLC/S in 2008 had made in December). • An NGO, Centre for Development (CfD), has been contracted by NLC/S on July 5 to support with strengthening of the PAC/S in 6 provinces such as Svay Rieng, Prey Veng, Kampong Cham, Phnom Penh, Kandal and Takeo. The agreement aimed to provide technical assistances and build capacity to 6 PAC/S, especially on work and financial plan. • Quarterly meetings of NLC/S executive members organized to review progress and decide on next activities as well as to share concern and information of different PAC/S. • Three congresses organized at Ratanakkiri (14-15 February), Svay Rieng (22-23 June) and Prey Veng (20-21 November) and a special congress organized in Kampong Chhnang (28 August). • Some PAC/Ss have advanced in terms of setting up offices and opening its own bank accounts at ACLEDA. • Monthly meetings of the NLC/S chairpersons and the MoI support Team have taken place to guide the NLC/S activities and to ensure MoI and provincial support. • 2 NLC/S council members meeting organized. First one on February 23, Chamcarmon Monument, Phnom Penh and the Second NLC/S Council meeting took place on 11-12 December at Sihanouk Ville. Key decisions were made by the members (membership fee, strategic and annual plan, admin and financial guideline, setting up committees etc. • Meeting with VNG (regional project) to assess the possibility of additional support to the NLC/S from the Netherlands, especially regarding exchange of experiences with the associations in Indonesia and Nepal (October). • Met and discussed with other organizations in order to look for partners to support NLC/S and PAC/S such as Friedrich Naumann Foundation, UNICEF, VBNK, SILAKA, UNV and others. • MOI support team, NLC/S and UNDP advisors split |

| Expected results/planned activities | Actual Activities/Progress |
|-------------------------------------|--|
| | <p>in three teams and visited all 14 PAC/S to assess the elections implications of each PAC, support with membership fee collection process, opening of bank account and with the development of PAC activity plan and budget for the remaining of 2007 (July).</p> <ul style="list-style-type: none"> • An admin and finance support person has been recruited by the NLC/S through a recruitment process which included a written test and an interview (May). • Meetings with UCLG-ASPAC (United Cities and Local Governments-Organization Asia Pacific Region/Section) Secretary General, the chairperson of NLC/S and H.E. Prum Sokha took place on 4 June. The NLC/S has submitted a membership application to the UCLG-ASPAC. H.E Prum Sokha endorsed the application. On October 29, UCLG/ASPAC members officially approved Cambodian NLC/S as UCLG member at World UCLG congress at Jeju, Republic of Korea. • UNDP advisors to the NLC/S participated at a training and experience exchange for Local Government Associations from May 2-4 in Istanbul. The event was organized by UNDP Regional Centre and supported by the Council of Europe. • NLC/S participated in EC Evaluation mission team evaluating DDLG project in March and April. |
| Activity 8: Awareness raising | <ul style="list-style-type: none"> • The publication of the Statute and internal rule was distributed to all NLC/S Council members in sufficient copies to distribute to all commune councils in the province. In total 4000 copies in Khmer and 1000 copies in English have been printed and distributed. • A bulletin about the associations has been printed in Khmer and English (2000 copies) and has been distributed to the PAC/S for further distribution. It has also been distributed at the D&D fora. • Hundreds of promotional bags and t-shirts were distributed at the regional D&D forum at Banteay Meanchey, Koh Kong and Phnom Penh. • Participation of Cambodian delegates (MOI and NLC/S in UCLG World Congress in Jeju (28 October to 1 November). • NLC/S sent a representative to participate in LOGOLINK conference (Decentralization and Democracy) at Yogyakarta, Indonesia from 12-13 February 2007. • The NLC/S chairpersons participated in public fora, workshops, seminars and conferences. Activities of |

| Expected results/planned activities | Actual Activities/Progress |
|--|---|
| | <p>NLC/S and PAC/S, especially regarding congresses and council meetings have been broadcasting at all Cambodian TV channels, National Radio and newspapers.</p> <ul style="list-style-type: none"> • Temporary website of NLC/S posted. www.online.com.kh/~nlc_c |
| <p>Activity 9: Advocacy related to sub-national reform and discussion organized</p> | <ul style="list-style-type: none"> • NLC/S chairperson participated in the MOI and GTZ organized training on D&D for Social Sector Ministries. In numerous interventions he reflected on the challenges that commune councilors faced in the previous mandate and may face in future and the need for a D&D reform. The chairperson also had the opportunity to present the associations' concept, progress and challenges to the training participants. A presentation on international experiences with associations was also presented (June-July). • NLC/S chairpersons and ExCom members (which members and from all 14 provinces participated at a one day Workshop on 'Representing Communal Interests: Introduction of the Department of Regions and Collective Territory (DRCT) of the Senate of the Kingdom of Cambodia' on 6. June. The workshop was organized by the Senate and KAF. The Chairperson of the NLC/S was invited to present the associations' concept, progress and challenges. • NLC/S deputy chairperson participated at a meeting organized by UNDP to discuss the inclusion of gender in the associations' activities (August). |
| <p>Expected result 3: Local area development needs addressed through implementation of pro-poor inter-commune cooperation (ICC) projects as a mean of developing good management capacity, process and practices.</p> | |
| <p>C. Inter-commune cooperation (ICC) for pro-poor projects</p> | |
| <p>Activity 10: Develop and undertake adaptation of systems and procedures for identifying, formulating, implementing, monitoring and evaluating pro-poor inter-commune projects and joint undertakings</p> | <ul style="list-style-type: none"> • Procedure for selecting ICC project, DIP, and NRML was reviewed, refined and integrated as one document • Guideline on ICC Project Preparation and Implementation was reviewed, refined and approved as well • Initiative on CS cooperation (cross-district/Khan) has been discussed by TWG/ICC and agreed by project manager to pilot in 2008 |
| <p>Activity 11: Conduct capacity development activities for support to and implementation of pro-poor inter-commune projects</p> | <ul style="list-style-type: none"> • Training workshop on Selection and Implementation Guidelines of ICC Projects was jointly organized by TWG/ICC and TWG/DIP, attended by participants from all 24 provinces and municipalities • TWG/ICC was re-oriented on Selection and Implementation Guidelines of ICC projects by DDLG & PSDD staff, before conducting |

| Expected results/planned activities | Actual Activities/Progress |
|---|--|
| | provincial/municipal training workshops <ul style="list-style-type: none"> • TWG/ICC as well as DDLG staff have conducted a lot of field visits and supports regularly to provincial and municipal level to improve their capacity in supporting to commune/Sangkat in implementation and management of ICC projects |
| Activity 12: Identify, fund and implement pro-poor inter-commune development cooperation projects | <ul style="list-style-type: none"> • Aggregate fund of 1,739,530 USD was transferred to ExCom's accounts for implementation of ICC projects in 2007, through MOU between Project Steering Committee of DDLG/MoI and 10 ICC target provinces and municipalities • 70 ICC projects have been implemented in 44 target districts/Khan of 10 ICC target provinces and municipalities. Aggregate budget of 1,497, 982 USD has been committed as some projects were canceled and must bid again as they were abandoned by contractors, and some others have been amended the contracts because remained fund from bidding must be included |
| Activity 13: Conduct analytical studies and policy analysis to identify issues, develop policies and options to further advance decentralization reform implementation and improve coordination between the RGC, local authorities, donors, CSOs, CCs and other stakeholders. | <ul style="list-style-type: none"> • No action to date |
| Output 4: project administration and management | |
| D. Project administration and management | |
| Activity 14: Inception and mobilization activities | <ul style="list-style-type: none"> • The MOI authorized for direct transfer of fund from UNDP to NLCS based on signed MOU and this began since 2nd quarter. However, overall accountability for proper use of project fund remains with the MOI. • The MOI provided full technical and financial support to the NLCS to enable this newly established institution to successfully implement its strategic plan. • Recruited short-term consultants for the following assignments: <ul style="list-style-type: none"> ☐ <i>Design and conduct communication and leadership skills training for NLCS Executive Committee members</i> ☐ <i>Develop administration and finance manual for the NLCS</i> ☐ <i>Develop guidelines for preparation and</i> |

| Expected results/planned activities | Actual Activities/Progress |
|---|---|
| | <p><i>implementation of ICC non-infrastructure projects</i></p> <ul style="list-style-type: none"> • Regularly coordinated with PRDC ExCom in 10 target provinces during the course of ICC projects implementation. • Agreed with UNDP to terminate contracts of two project international advisors (i) Local Government Association Advisor and (ii) Project Coordination Advisors and selection process for replacements was completely done. |
| Activity 15: Project implementation management | <ul style="list-style-type: none"> • Prepared quarterly financial and narrative progress reports including FACE regularly. • Discussed and agreed to maintain 2007 ICC coverage areas of 44 districts/Khan within 10 provinces for 2008 implementation. • Organized DDLG PSC meetings twice in 2007 <ul style="list-style-type: none"> - <i>First meeting on 26 June to review achievements in first semester and agreed on work plan and milestones in 2nd semester</i> - <i>Second meeting on 18 December to review 2007 achievements and approval of 2008 AWPB.</i> |
| Activity 16: EU-UNDP Contract required evaluation | <ul style="list-style-type: none"> • Facilitated 2006 audit exercise carried out by KMPG in first quarter. Generally, the audit report was very positive, however, there were some small mistakes to be corrected. • Facilitated EC Monitoring Mission for initial year DDLG implementation from 26 March to 6 April. The mission delivered some practical recommendations for improvement of the three components. • Agreed that MTR would be carried out in mid year 2008. |

3. Expected challenges in 2008

| Key issues | Causes of Issues | Proposed Solutions/Actions (who, how and when) |
|---|--|---|
| Overall coordination and management | | |
| No standardized NCD and Peachtree to be operated by 10 provinces in 2007 | At the beginning, no agreement to fix up this issue under NCDD systems | Standardized NCD and Peachtree were setup and oriented to all practitioners from 10 target provinces. |
| In the beginning year 2006, international advisors were not recruited. However, 2 advisors were selected in 2007 and then their | Due to their incompleteness and mismanagement. | It was suggested that UNDP should strictly recruit competent and helpful advisors for the given posts |

| Key issues | Causes of Issues | Proposed Solutions/Actions (who, how and when) |
|--|--|--|
| contracts terminated by the end of year 2007 | | |
| NLCS still lack of capacity in financial management | Limited capacity in implementing NCDD administration and finance guideline in general | Continue to provide on the job training |
| Creation of voice and accountable mechanism and associations | | |
| Election of National Assembly in year 2008 | C/S councilors would be very busy with the political campaign. | It would be expected in working with NLC/S and PAC/S secretaries. |
| Improved coordination between MoI and NLC/S | Irregular meetings between NLC/S and MoI support group. Eventually need for further information exchange and coordination mechanisms | Assess need for further coordination, develop and agree on mechanisms. |
| Limited capacity in Provincial Associations | Provincial associations are very new, with limited understanding and limited support available | DDLG to continue providing support and identifying additional support providers for 2008 |
| Limited knowledge within government about the League and Provincial Associations and its benefits for government | Local Government Associations are new to Cambodia | Organize stakeholder forum to discuss associations contribution to development advocate to be invited to discussion on the D&D reform |
| Inter-commune cooperation for pro poor projects | | |
| Most PMC of ICC Projects did not hold regular meetings | C/S chief has too much works, besides ICC projects | The guideline will be reviewed and refined to ensure high sense of accountability in implementing and managing the projects. |
| Limited capacity of commune/Sangkat Councils in managing and monitoring projects. | So far, no official training was done for PMC on project monitoring & management | <p>Formal training to PMC on project monitoring and management must be conducted</p> <p>Regular field trips must be often conducted to coach and support PMC</p> |
| Communication and cooperation between commune / Sang Kat and commune/Sang Kat within PMC has not been well performed, as members from each commune / Sang Kat mainly think that their tasks were | Top-down method is mainly used to select target area | The guideline must be prepared in broader manner, by encouraging willing commune/Sang Kat to implement projects voluntarily |

| Key issues | Causes of Issues | Proposed Solutions/Actions (who, how and when) |
|--|---|--|
| already completed by other members in the committee (they appoint a finger to each others) | | |
| Commune / Sang Kat councilors can cooperate with each other only in the same district / Khan, in selecting & implementing ICC projects | Both guideline and fund allocation is mainly implemented at district / Khan level, while cooperation between commune / Sang Kat & commune / Sang Kat in different district/Khan has not yet been open | The guideline must be reviewed and refined in broader manner that will allow communes/ Sangkat from different district/ Khan (but in the same province and municipality) to cooperate with each other, if they need to cooperate |
| Some contractors hesitated to implement projects that they won the bids because materials price in the market is increasingly higher (The project cost was estimated when the materials were cheap. When the implementation started, then the price of materials get higher | Project estimated cost was calculated based on actual price of materials in the market then | ? |
| Some projects have not been achieved / completed as stated in the contracts as some contractors request to delay the contract again and again (If first delay can not be completed, then second delay would be requested, if second delay still could not be completed, then third delay would be requested) | <p>? No guideline states about number of times that a contract can be delayed, and how long is it for a delay?</p> <p>? Generally, principle to fine any contractors was not applied</p> | <p>? National level should consider on this issue, to seek ways to fine some bad contractors</p> <p>? Enforcement of fining measures should be strongly applied, based on conditions in the contract</p> |
| Most of ICC projects approved are physical infrastructure while non physical infrastructure projects are rarely seen | Guideline on Preparation and Implementation of Non Physical Infrastructure Projects has not yet been prepared | Guideline on Preparation and Implementation of non physical infrastructure projects will be prepared, approved, and trained to target CCs |
| Projects operation and maintenance after construction completed is still the issue that has never been applied by | Generally, guideline on Preparation and Implementation of ICC projects bases mostly on CS Project | After that point is included in PIM review, Preparation and Implementation procedures of ICC project will also be refined based on that |

| Key issues | Causes of Issues | Proposed Solutions/Actions (who, how and when) |
|--------------------|--|---|
| commune / Sang Kat | Implementation Manual (PIM) which the point related to project operation & maintenance has not been clearly specified as the principle | |

4. Experiences and lessons Learned in 2007

Creation of voice and accountability mechanism

The Regional D&D fora with the Senate have been implemented under this component. The implementation of further fora should be continued to create a good opportunity for commune councilors and other stakeholders in discussing and asking interventions from senate and ministries for problem solving at localities.

Other activities such as the development of a best practice awards and local to local exchange visits are interested by C/S, but progress is a bit slow. It is expected that 2008 will allow for these activities to be built upon.

Opportunities for exchange visits of NLC/S and PAC/S to ICC potential projects should be further explored in year 2008.

Establishment of Commune/Sangkat Council Associations

Taking into consideration that the PAC/s and NLC/S were established in August 2006 and that general commune council elections were held in 2007 - implying changes of commune councilors within the PAC/S and NLC/S governance structures – progress with the association has been positive. The understanding and recognition of the associations' role has increased amongst its members and other partners. Membership fee agreements and payments are good indicators of the support and trust provided by the members. The NLC/S has also been able to mobilize supports from other development partners such as VNG, UCLG, UNITAR and FCM.

Cooperation between communes/Sangkat in implementation of ICC projects

- ☑ Training workshop on Selection, Preparation and Implementation of ICC Projects is a good approach, enabled participants from all provinces & municipalities to understand some different aspects of both projects, DI and ICC, and also save much time
- ☑ Internal review process and annual reflection workshop provided all supporters at provincial/municipal, district/Khan, and national levels, good experiences and lesson learned. It also enabled TWG/ICC to improve procedures and guidelines responding to actual situation at local level
- ☑ Field visits and support to provinces and municipalities by TWG is an important approach to strengthen provincial/municipal staff capacity as well as to support to any issues that needs to

be solved immediately. It is also an opportunity for TWG/ICC to understand and learn from the issues and situations at local level

5. Conclusions

The overall result of 2007 AWPB implementation is greatly satisfactory under direct management of a Director of Department of Local Administration as a Project Manager and with policy guidance from DDLG PSC, in which EC, UNDP and concerned ministries represent.

ICC projects have been implementing in 10 target provinces and municipalities based on the guidelines issued by the Ministry of Interior. The guidelines on project selection of ICC, DIP and NRML were integrated into common guideline to ease capacity development activities and implementation at local level in 2008. based on annual review result on 2007 ICC projects implementation, it was found that the level of responsibility, accountability and ownership of Commune/Sangkat is still limited, that requires to review and refine the systems of project selection, fund allocation, project implementation and management

The National League established in August 2006 has been able to further develop during 2007 in terms of membership fee contributions from PAC/S and process, bank account opening, recruitment of staff, to deepen the understanding of the associations through meetings and discussions of Council and ExCom and commenced with dialogue between councilors and government through the organization of regional fora in partnership with the Senate.

A good start has been made with the development of a recognition system for best practices of Commune/Sangkat Councils. A concept has been agreed upon between MoI, NLC/S and CCSP and is expected to be approved by the MoI/DOLA. Once approved, the concept will be further developed jointly by MoI, NLC/S Chairpersons and CCSP, supported by DDLG during 2008. Local to local exchange activities will follow once best practices have been identified and awarded through the recognition system.

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