



## ANNUAL PROJECT REPORT 2010

**United Nations Development Programme  
Cambodia**

**DDLG – Democratic and Decentralized Local Governance**

**01-01-2010 – 31-12-2010**

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**Project ID & Title:** DDLG  
**Duration:** 6 years  
**Total Budget:** 10,9 M Euros  
**Implementing Partners/Responsible parties:** Ministry of Interior  
**Country Programme Outcome:** D&D and Local Governance

# **Strengthening Democratic and Decentralized Local Governance in Cambodia (DDLG)**

## **2010 ANNUAL REPORT**

### **1. Description**

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- 1.1. Name of beneficiary of grant contract:  
**UNDP Cambodia**
- 1.2. Name and title of the Contact person:  
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Deputy Country Director (Programme)**
- 1.3. Name of partners in the Action:  
**Ministry of Interior, Royal Government of Cambodia**
- 1.4. Title of the Action:  
**Democratic and Decentralized Local Governance (DDLG)**
- 1.5. Contract number:  
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- 1.6. Start date and end date of the reporting period:  
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- 1.7. Target country:  
**Cambodia (nation-wide)**

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## I. Executive summary

### Progress against CPAP Output (and alignment with National priorities):

As of 31 December 2010, DDLG completed 3 out of the 4 CPAP outputs and is making tangible progress towards achieving the remaining one which now mainly depends on the pace of the governance reform process (decision on creation of local government associations for the newly established sub-national councils).

At the policy and strategic level, the project played a significant role in supporting the Mol and NLC/S in their endeavor to finalize the 10 year National Programme for Sub-National Democratic Development (NP SNDD) and the first 3 year implementation plan (IP3).

Institutions and systems that DDLG helped developed (eg: the NLC/S and the ICC mechanism) are now incorporated in these 2 documents which demonstrates the quality of results produced and the commitment of Government and stakeholders to sustain and consolidate these achievements. It is important to note that Government has recognized the NLC/s as one of the IP implementation agent (for sub-programme 6) and is prepared to mainstream the piloted ICC cooperation procedures under national policies as a mean to sustain the inter-commune cooperation concept beyond the project time frame

These results were also noted by the EU Result Orientated Mission (ROM, August 2010) which rated DDLG's overall 2010 performance (see below).

This year, as a preventive safeguard measure, UNDP requested DDLG (as other UNDP projects) to reduce its expenditures and suspend a number of activities. With an annual budget reduced, in September, from USD 3,851,875.51 to USD 3,145,696, DDLG's disbursement rate in 2010 was 96.32% (3,030,150 total expenditures to be validated by CDR).

As in previous years, the project implemented the 2009 Audit recommendations and conducted regular spot checks at central and provincial levels. As a result of internal spot checks and the latest external audit (PWC, Feb-march 2010) DDLG operations risks and issues are rated as minor/low and have been addressed.

In the area of partnerships and alignment DDLG continued to constructively engage with Mol, the NCDD and development partners and is prepared to align its 2011 AWPB in support of the IP3 and IP1.

Scoring from the annual **EU Result Oriented Monitoring (RoM) Mission** conducted from 30.08 to 10.09. 2010.

Topics	Grading
Relevance and Quality of Design:	B
Efficiency of implementation to date:	C
Effectiveness to date:	B
Impact prospects:	B
Potential Sustainability:	C

## II. Implementation Progress

### Progress against DDLG outputs:

**Under Output 1 (Voice & Accountability)**, as reported in the UNDP Global Website and the UNDP-Cambodia site (see links to videos below)<sup>1</sup>, the district fora organised by the NLC/S played an important role for the identification of C/S issues and needs. In 2010, local governance issues such as natural resource management (the use of a community lake in Preah Vihear), the issuance process for ID card in Kampot and Kampong Thom Province, or the question of councillor's wages and uniforms have been addressed and solved through these consultations. In addition to UNDP, the local government association of Canada (FCM) and VNG from the Netherlands have recognized the NLC/S forums as best practices for strengthening local governance in the Asian region (Joint report, 2010). The Best Practice Award (BPA) programme was, on the contrary affected by technical implementation issues (capacity of contracted NGO) and is implemented behind schedule. As of December 2010, the BPA is back on track and ten (10) potential C/S and CSO candidates were selected through a screening process that ended with on-site validation missions conducted by members of the Technical Steering Committee. Similarly the first draft of the BPA manual is now under revision by the Steering Committee members of the BPA programme.

In respect of capacity need assessments, the NLC/S conducted the last 13 C/S need assessments of all 24 provinces. This massive exercise (a sample of 406 C/S out of the 1621 C/S) was planned and conducted with the support of DDLG and VNG and led to the formulation of the NLC/S 2<sup>nd</sup> Strategic Plan (2011-2015) that will be approved early 2011. The findings were shared within NLC/S and with its different stakeholders and reports are now available both in Khmer and English.

**Under Output 2 (Local Government Associations)**, DDLG focused a large part of its assistance to supporting the NLC/S strengthen internal management systems. In this respect, a theory-driven M&E system was designed for the League to monitor progress and improve performance in areas such as operations, capacity development, advocacy and policy formulation. A consultancy was also conducted to map options for the NLC/S to adjust its mandate and structure to accommodate new sub-national councils. The study reviewed 6 country cases and formulated a set of recommendations that were discussed within the League and integrated in its 2<sup>nd</sup> Strategic Plan. Further consultations with government and relevant stakeholders will take place early 2011 at the occasion of a National Congress that will gather councils from across the country.

The project played a critical role in advising and supporting the NLC/S contribute to the formulation of the 10 year national programme for Sub-National democratic development and its first 3 year implementation plan (IP3). As a result, the NLC/S is now one of the implementing agents for the IP3 (sub-programme 6). In 2010, new strategic issues related to capacity development, gender, local economic development and climate change were also discussed amongst the League's members and mainstreamed in the new strategic plan.

At the **Inter-Commune Cooperation level (Output 3)**, 2010 marked the last year of the block grants provided by DDLG for ICC. In 2010, USD 1,465,600 was disbursed for ICC (out of the planned USD 1,870,650). 89 new ICC projects (23 are service projects) were selected and as of December 2010, 59 projects are fully completed. A video on an ICC project was developed by UNDP and posted (You tube) on its website. [Commune cooperation eases villagers' hardship](#) .

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<sup>1</sup>: Followings are the links to the DDLG videos and stories:

- [In Preah Vihear province, villagers celebrate the return of a community lake](#)
- [Video of Preah Vihear Lake](#)
- [Radio slideshow of Preah Vihear Lake](#)
- [In Preah Sihanouk province, villagers have their say in community planning](#)

The MoI has last year expressed its interest in sustaining the ICC concept and systems beyond the project life time through integrating the cooperation procedures under national policies. An inter-ministerial team led by MoI and comprising of representative from Ministry of Planning, Ministry of Economy and Finance, the National Treasury and the NLC/S was established, and an international consultant recruited to map options and draft a road map for the integration process under the PIM. It should be noted that this activity will depend on the pace of the governance reform process and the implementation of the IP3.

In the area of M&E, the project continued to conduct regular field monitoring visits and collected data for each project (see attached M&E spreadsheets). Spot checks were conducted in targeted ICC provinces.

Under the **4<sup>th</sup> output (Policy support)**, the project provided policy and technical support to the NCDD/S for the finalization of the NP SNDD, which was approved by the RGC in May 2010. The project also provided policy and technical support to the NCDD/S for the formulation of the Implementation Programme 2011- 2013 (IP3), which was approved by the NCDD in November 2010. Considerable attention was paid to ensuring the inclusion of DDLG ongoing objectives in the IP3, as well as utilizing DDLG outputs and lessons learned. In addition, the project facilitated coordination and information sharing between NCDD/S and its development partners, and provided technical support for the development of the Programme Based Approach for financing and managing implementation of the IP3.

#### **Key challenges:**

At the policy level, the formulation of the NP SNDD required that DDLG anticipated programmatic and operations changes to align itself to Government and donor's priorities and to the recently approved 3 year implementation Plan (IP3). This was, and still is, particularly challenging considering that, for the time being, key attention is towards the building and strengthening of the new sub-national councils and administrations which, in certain occasions, impede with DDLG's priority which is to support C/S. A certain degree of caution was also needed to position the LGAs in this sensitive D&D context and advocate for the NLC/S to contribute to the IP3.

On the management and budget side, the late disbursement (September) of the EU 5<sup>th</sup> payment combined with the difficulties encountered by UNDP–Cambodia to advance funds for the project's 2010 AWPB (annual budget reduced by USD 706,179), resulted in a lower implementation pace and a rescheduling of a number of activities to 2011, but also impacted relations between national authorities, provincial administration, the project team and the UNDP CO.

#### **Lessons learned:**

As mentioned above, because of the budget gap and the related communication difficulties between the project and its donors, working relations have for a time, been affected. If a similar situation was to happen in the future, clear and regular communication channels would need to be established to avoid misunderstandings and reduce implementation and operations risks resulting from the difficulties to advance funds and/or process payments.

### Extract from DDLG stories (2010):

#### In Preah Vihear province, villagers celebrate the return of a community lake

Luck wasn't on her side as Chan Thi, a villager, laboriously navigated her fishing basket in the water trying to catch fish in Choam Prei lake. She moved from spot to spot, making her bet by scooping the basket in the water. But each time she lifted it, mud was all she caught.

"Disappointing," moaned the 55-year-old, a resident of Romchek village, Romney commune, Preah Vihear province in northern Cambodia.



Chan Thi, a member of Kuoy indigenous group, fishes in Choam Prei lake in Romnev commune, Preah Vihear province.

But after a pause she said she was happy too – happy that her community of mostly Kuoy indigenous people has won a battle to reclaim the lake from a better-off local farmer. The lake is now a community asset on which the villagers can pin hope for livelihood in the future.

It took them more than two years to win. Their victory was an isolated case, yet it signified a success story of Provincial Association of Commune/Sangkat, a network of governing bodies at sub-national level, in acting as a springboard to address local concerns.

Seng Chheang, 59 and the chief of Romney commune where the lake is located, was at the forefront of this battle.

"We have a duty to address the local issues as the people have entrusted us with their votes. We have to do our utmost to help to build our communities; we cannot just hang around until our term expires," he said.

The contention over the lake started as long ago as 1998. Back then a village chief signed off the 30-ha lake to a local farmer named Bin Nhep, 61, to grow lotus.

Over the years, he added a fish farm. Two dykes were built to divide the lake into three parts to make fish ponds. He built a large wooden house on the lake to guard against trespassers. He said that by investing his own resources in the lake projects he had also contributed to protecting the surrounding forest from being logged.

The lake was off-limits not only to the villagers who used to depend on it for fish, but also to their cattle, which used to graze nearby and drink water from it. As such, villagers were denied a key source of livelihoods. Together, they collected thumbprints and filed a complaint with Romney commune office, about 225 km from Phnom Penh, Cambodia's capital.



### Commune cooperation eases villagers' hardship

Three years ago, In Sok was on the verge of selling his rice field in Takeo province. At the time, property prices in Cambodia were in the midst of a boom, but the farmer wasn't looking to make a quick fortune out of his traditional means of income. It was the hassle of the dirt road connecting his home and the paddy field that had him think about changing his occupation.

"The road was tiny and bumpy. During the rainy season you could hardly drive your bike through this road because it was so muddy, sticky and slippery," said In Sok, 40.



A villager rides his motorbike across a newly renovated road in Takeo province in southwestern Cambodia. The road was built under the Inter-Commune Cooperation scheme being piloted in 12 provinces in Cambodia.

The 6.5-kilometre stretch, which cuts through several villages and vast green rice fields, is now a life-safer for the local people. A joint project by three local councils has turned a former ox cart track into a five-metre wide road offering a smoother ride.

Such a teamwork was under the umbrella of Inter-Commune Cooperation, a venue where local councils, known as commune/sangkat, pool ideas, initiatives, and funds to build local infrastructure like road, irrigation canals, school for their residents.

ICC is a pilot scheme implemented in 12 provinces with support from UNDP and the European Union. It aims to set up a mechanism that allows and encourages commune councils, which normally operate with limited budget, to work together on prioritizing development plans that can bring the most benefits to their communities.

Norng Choun, the chief of Ang Prasad commune in Takeo, 75 kilometers southwest of Phnom Penh capital, learned a good lesson of going it alone when he first initiated a plan to renovate a road in his commune in 2007. The road is part of the 6.5-km stretch, which connects other two neighboring communes. However, the proposal failed to win the ICC fund as it lacked of cooperation from other communes. He then invited two neighboring Chi Kmar and Sanlong communes to join the road project that would benefits their communes as well. Only then did the project get the funding support from the committee in 2009.



## II. Implementation progress

### PROGRESS TOWARDS PROJECT OUTPUTS:

OUTPUT 1: Commune/Sangkat councils use appropriate processes to share experience, raise interests and advocate for them.				
Output Indicators	Baseline (Sep 2008)	Target (Multi-year)	2010 Target	Current status
Nr. of forums held to allow commune councilors to raise issues and concerns for local authorities and/or policymakers' responses	0 National forum, 2 Regional forums and 26 District forums in 2008	2 National, 8 Regional, 24 Provincial and 120 District forums by 2011	1 National, 13 Provincial 50 District forums	<p>National Forum: Not completed Provincial Forums: Completed District Forums: Partially completed</p> <p>All provincial forums are completed. The National Forum was not conducted and is rescheduled in 2011 (concept note exists). Out of the 50 planned District Forums, 15 could not be conducted because of low implementation capacities at sub-national levels. NLC/S will provide additional support to ensure that these forums are conducted in 2011.</p>
Best practice and recognition programme for local governments launched and completed the first cycle	no in 2008	yes in 2010	BPA launched and first Best practices identified	<p>Best Practice award process is completed in 23 provinces (618 C/S and 12 CSO applications were received).</p> <p>Provincial award winners are now competing for the National award level. The national BPA Secretariat and the TSC has started to review documentations and conducted on-site validations visits. It is expected that the National Awards be handed out by April 2011.</p>
Manual for best practice and recognition developed (based on lessons from the first cycle)	no in 2008	yes in 2010	BPA manual completed	A first draft of the BPA manual is ready and is being reviewed by the BPA SC members.
# of councilors and staff who were exposed to C/S Best Practices	0 in 2008	250 by 2011)	165	Not yet started (pending BPA)
# of local governance articles published by the NLC/S in national newspapers	0 in 2008	Target 6/year from 2009	4 items	UNDP Global website and the UNDP-Cambodia site reported on the NLC/S work. A DDLG success story is also considered to illustrate the UNDP Administrator's annual report. The NLC/S published its 5 <sup>th</sup> bulletin and series of articles on NLC/S and PAC/S activities were published in local news papers and aired in national TVs.

Since its inception in 2006, DDLG played a critical role in advocating for the existence of local and regional forums and has since then supported the NLC/S (and its two core partners; the Senate and the Mol) design, test and pilot different forum's methodologies (content and format). Starting in 2008 with Regional forums mainly debating on decentralization issues (in the context of the new Organic Law), forums have for the last 2 years also been organized at district level as a mean of strengthening local councilors accountability to their constituents while at the same time, establishing a system for local governance (and/or MDGs) issues to be directly debated with representatives from higher local and sub-national authorities.

The results achieved and the request from Councilors and PAC/S to expand this initiative is now a good indication of the need for such dialogue mechanisms and the willingness and confidence of local councilors to publicly debate and address issues of local governance. It is also an indicator of their capacity to organize such events and to communicate. The limited cost required for these activities (approx USD 300) further suggest the potential for NLC/S, PAC/S and local councils to scale-up these initiatives across Cambodia. From 2011 and with UNDP's support, it's expected that local forums be organized on the MDGs and contribute to the MDG acceleration process.

At the impact level, although all planned forums could not be conducted in 2010, the results of these consultations (ex: community lake, ID cards, etc) proved the efficiency of the system and the need to further sustain and institutionalize these dialogues, particularly at the district and provincial levels.

At the implementation level a number of 2010 activities were rescheduled to 2011. Particular attention will also be given in 2011 to ensure that the PBA programme is well implemented and that the first national awards and handed out by April 2011.

In addition to the activities and results mentioned above, the NLC/S also:

- conducted a Survey on C/S Council Responsibilities,
- hold series of workshops to widely disseminated the results of provincial forums and raise attention and interests,
- developed a software for monitoring district forums issues (and trained NLC/S's staff on how to use it),
- conducted a performance assessment of 6 PAC/S.

delivery <i>exceeds</i> plan	delivery <i>in line with</i> plan	X delivery <i>below</i> plan
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**OUTPUT 2: NLC/S and PAC/S have basic capacities in communication, advocacy and provision of common LGA services for communes.**

Output Indicators	Baseline (Sep 2008)	Target (Multi year)	2010 Target	Current status
Regulations/systems on finance, procurement, M&E, HR, developed for NLC/S to carry out its functions	finance, procurement in 2008	M&E, HR, Finance in 2010	NLC/S M&E system in place	The Theory-driven monitoring system was revised and finalized.
# of staff of the NLC/S and PAC/S trained by topic on regulations/ systems	10 in 2008	220 by 2011	197	The target of 197 trained staff was reached (please see details in the section below).
New NLC/S strategic plan and capacity development plan formulated	2007-2009 strategic plan and no capacity development plan	New strategic plan for 2010-2015 including a capacity development plan, in 2010	Strategic plan developed	<p>The NLC/S 2<sup>nd</sup> Strategic Plan was formulated following a comprehensive and participatory process (see box below). The plan addresses internal NLC/S and member's needs (eg. institutional strengthening, capacity development, advocacy, etc) and respond to Cambodia's and NCDD's priorities related to the D&amp;D reform process and the implementation of the IP3.</p> <p>The Strategic plan will be discussed and approved in January 2011 at the occasion of the NLC/S National Congress.</p> <p>DDLG in coordination with the EU SPACE programme also helped the NLC/S develop a set of Curriculums for council training/coaching in accordance with government's format.</p>
# of PAC/S that received technical support/capacity development from contracted institution/NGO per year	12 PAC/S in 2008	16 PAC/S by 2011	10 PAC/S	Following the DDLG Board decision to end the NGO contracting modality, NLC/S plans to recruit a national/international team of consultants (2 or 3) to help design a long term CD plan for PAC/S and deliver quick impact CD interventions. Finalization of the plan and recruitments will be conducted early 2011.

Much progress was reached in 2011 in terms of strengthening the NLC/S at its network of 24 Provincial associations. It is important to note that progress was achieved both at the Policy level (eg: stronger implication of NLC/s in national D&D policy dialogues) as well as at the institutional level (eg: development of an M&E system) and at the individual levels.

The DDLG supported capacity development activities were therefore critical to strengthen the development of LGAs in Cambodia and to better position the NLC/S and its members as key actors of the decentralization reform process at national and local levels.

At the policy level, the project team played an important role in advising the NLC/S and other stakeholders in the formulation process of the NP. DDLG's input helped advocate for an increase role and participation for the NLC/S in the IP3. At the institutional and individual levels (data below), the establishment of an M&E system, the formulation of a new Strategic Plan and the continuous support provided to train, coach, expose (incl. study visits) NLC/S staffs, members and local councilors were key elements of DDLG's CD's support. As reported by the EU ROM evaluation mission (August 2010) the increased recognition that the NLC/S is receiving from Government and development partners, the place that the NCDD has given to the NLC/S in support of the NP and IP3

demonstrates the increased capacity of the League and the confidence it now has with partners.

As stated above, the NLC/S has in 2010 trained:

- NLC/S (2 staffs): Administration and financial management, procurement, communication skills,
- PAC/S (52 pax): 4-day training course on administration and financial management organized for the 24 provincial associations
- M&E Committee (32 members): training on NLC/S M&E processes and methods, including conducting interviews and writing M&E reports.
- Public Relation Committee (13 members, incl. 3 females): training on public communication and skills to better collect information.
- Councilors (100 pax): Workshops organized during the Strategic Plan, formulation process (including strategic planning and policy formulation for Gender and for the newly established NLC/S Women and Children Committee.

The formulation of the 2<sup>nd</sup> Strategic Plan comprised of:

- C/S Need assessment and Mapping exercise of existing capacity providers for C/S,
- The organization of the 11<sup>th</sup> meeting of NLC/S Executive Committee (in 2 meetings)
- International consultancy (desk review) of Multi-tier LGA modalities in 6 countries (covering 9 LGAs)
- Internal consultations and planning events, including ExCom meeting (strategic objectives) and 4 intensive C/S workshops (gender, extension of membership, and key actions/risk management).

delivery <i>exceeds</i> plan	X delivery <i>in line with</i> plan	delivery <i>below</i> plan
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**OUTPUT 3: Communes/Sangkats have appropriate systems and capacities to plan and manage inter-commune projects that respond to local needs, especially poor>**

Outcome Indicators	Baseline (Sep 2008)	Target (Multi year)	2010 Target	Current status
Guidelines for selection and implementation of Inter-Commune Cooperation (ICC) Projects developed for both infrastructure and service type projects	Piloted ICC project-based management guideline developed and put in place for ICC projects	ICC project management guideline integrated into C/S project implementation manual	Piloted ICC project management guideline studied by external consultant and inter-ministerial working group established to prepare for the ICC integration into PIM	Consultancy conducted and inter-ministerial team established.  The IP3 recognizes the importance to sustain the ICC concept into national policies (now expanded and referred as "inter-administrations cooperation").
# of officers breakdown by administrative levels (national, provincial and commune) trained (and refreshed) on ICC guidelines	20 National officers, 120 Provincial officers and 1,500 C/S officers in 2008	Similar annual target in 2009 and 2010 (+ 20 National officers and 120 Provincial officers in 2011, depending on status of the governance reform process and IP1)	Similar annual target in 2009 and 2010	Annual target reached. See data bellow and in attached monitoring sheets.
Disbursement in USD for ICC projects	USD 1,832,000 in 2008; same target in 2009 and 2010	No investments in 2011	USD 1,832,000 disbursement in 2010 for ICC investments	USD 1,465,600 disbursed for ICC investments  Because of DDLG's budget gap, the final ICC installment to provinces is still not disbursed (contractors to be paid early 2011)
ICC M&E system developed (for provincial and national levels)	no in 2008	yes in 2010	Data on ICC progress collected  ICC Reflection workshop organized	Data on ICC progress collected and analyzed (data were also used to review of the ICC guideline)  UNDP CO and the EU Delegation both produced video reportage highlighting the benefits of ICC for local residents. 3 ICC case stories were produced.

At the policy and strategic level, this last year of DDLG (financial) support to ICC, was marked by a major breakthrough with the decision of Government (MoI and NCDD) to integrate the ICC concept and systems under national policies (possibly PIM and CSF) and therefore sustain the cooperation mechanisms beyond the project life time. Now referred in the IP3 as "inter-administrations cooperation" the NCDD expects in the next 3 years to expand the ICC concept vertically and allow inter-cooperation

between different sub-national administrations. DDLG in its last year (2011) will concentrate its efforts towards supporting MoI and the ICC inter-ministerial working group, prepare for the integration process.

Depending on the pace of the governance reform process and the implementation of the IP3 and IP1, DDLG could help revise and edit the PIM to accommodate ICC. This year, the project team also documented best practices as a mean to share experiences and advocate for the benefit of local cooperation. Two videos (on You Tube) were placed on the UNDP Global website and on the UNDP-Cambodia site. The European delegation also produced an ICC video reportage at the occasion of the EU day. Three additional case studies, including one on an innovating cooperation mechanism (in Koh Kong) that involved ICC, CSF, villagers contribution and a charity were drafted.

At the operation level, DDLG faced (and is still facing) a major challenge with the final ICC installments (20%) not being paid to the Provinces as a result of the DDLG budget gap. This situation affected the working relations between the different project stakeholders and ICC contractors. It is urgent that UNDP processes the last ICC installment.

Additional facts and data:

**Indicator 1: Policy support:**

- An ICC-PIM integration assessment working group is formed under the leadership of MoI. The working group is composed of 14 members of which 8 from Ministry of Interior, 1 from Ministry of Planning, 1 from Ministry of Economic and Finance, 1 from NLCS, 1 from PSDD and 2 from DDLG. A representative from the National Treasury is added.
- The importance and usefulness of the ICC concept is recognized by the NCDD (integrated in the IP3). The integration process will depend on the pace of the D&D reform process and the implementation of the IP3 and IP1. The process envisaged by the NCDD to integrate what is now referred as "inter-administrations cooperation" are described in the IP3 main section, sub-program 1 on Policy Development and Program Coordination, sub-program 4 on Sub-national Administration Resources, and sub-program 5 on SNA Planning and Investment Programming Systems.

**Indicator 2: Capacity Development and training activities:**

- Two national officers from the ICC working group attended an intensive 5-day training on project management related skills. An officer was trained on proposal writing and another one on communication.
- As of the end of 2010, 106 commune officers in the province of Kampot were trained on Role and Responsibility of Project Management Committee; 67 participants from the provincial, district, and commune level were trained on the management and implementation of ICC projects. In addition, 252 participants from PMC, DFT, and commune officers were trained on ICC management and implementation in the districts of Banteay Meanchey. 96 provincial officers, 39 district officers, 439 C/S councilors from the provinces of Svay Rieng, Kampot, Ratanakiri, Koh Kong, Kapong Cham and Kandal were trained on the ICC project management guideline (125 are female). These trainings were organized by the Provincial local administration and the Technical Support Units.

**South-South Cooperation:**

- 11 Government officials (mainly from the ICC-PIM integration working group with 2 DDLG staffs and a PSDD colleague attended a 5 day study tour in Indonesia to share experiences on inter-governmental cooperation. This south-south cooperation has contributed to reinforcing the understanding and commitment of Cambodian officials of the importance and usefulness to integrate ICC under national policies. This mission furthermore raised the interests of the Cambodian delegation to simplify the implementation and management process of inter-municipal cooperation. The delegation was also keen to see similarities between Cambodia and Indonesia, which has integrated its inter-district cooperation system in its national law on decentralization after these systems were implemented by a number of districts.

**Indicator 3: Selection and implementation of ICC projects**

- In 2010, a total of 89 new ICC projects (23 are service projects) were bided and contracted within the 12 targeted provinces and the capital. 59 out of 89 projects are 100% completed.

The 30 remaining projects are located in Phnom Penh (2 projects), Kandal (3 projects), Sihanouk Ville (2 projects), Takeo (3 projects), Kg. Cham (2 projects), Koh Kong (1 projects), Kg. Chhnang (8 projects), Rattanakiri (3 projects), Baanteay Meanchey (3 projects), and Kampot (3 projects). These projects are expected to be completed early 2011.

**Indicator 4: M&E of ICC projects (see attached spreadsheets)**

- Ten field missions were conducted to observe the ICC project formulation and implementation process (TAK, BTM, KCH, PNP, RAT, SHV, KAM, KPC, KKG, and KDL provinces).

delivery exceeds plan	X delivery <i>in line with</i> plan	delivery below plan
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**OUTPUT 4: DDLG influences the D&D policy development, and DDLG key priorities are mainstreamed in the NP SNDD.**

<b>Outcome Indicators</b>	<b>Baseline (Sep 2008)</b>	<b>Target (Multi year)</b>	<b>Current status (Dec 2010)</b>
<ul style="list-style-type: none"> <li>Output Indicator 4.1: # regulations necessary for implementation of the Organic Law drafted with inputs from DDLG advisor</li> </ul>	5 in 2008	50 by 2011	Over 30 regulations drafted by the NCDD Policy Team. A further 28 pieces of legislation have been identified and prioritized for development during the life of the IP3 (2011 – 2013). Policy advice provided on key issues around the regulations and comments on the drafts provided. Inputs provided by DDLG during the formulation of the NP-SNDD, and the IP3, specifically through the participation of the Policy Adviser (for NCDD) in the IP3 Formulation Team. These inputs included high level policy advice to the Head of the NCDD Secretariat, programme advice and written inputs on key areas such as human resources, review and comments on ongoing IP3 drafts, and specific advice on developing a programme based approach for IP3. Specific inputs on DDLG-related areas provided by DDLG management and advisers.
<ul style="list-style-type: none"> <li>Output Indicator 4.2: NCDD Unit work plan developed. Capacity needs of staff assessed and addressed</li> </ul>	no in 2008	yes by 2011	Policy Unit work plan developed and approved for 2010. However, Policy Unit was re-structured during 2010 to take account of requirements of the NP-SNDD and more specifically the IP3. At the request of NCDD and Project Board the ToR of the Policy Advisor was adjusted in light of proposed new organizational structure. New TOR developed for Policy Division of NCDD-S and for Support Office to the Head of NCDD-S. Outline job descriptions prepared and capacity development activities, including short and medium-term needs included in the IP3 and in the IP1 (2011). Both IP3 and IP1 were approved by the NCDD.
<ul style="list-style-type: none"> <li>Output Indicator 4.3: # of initiatives developed by DDLG for the implementation or oversight of the NP SNDD</li> </ul>	no in 2008	15 by 2011	Following the launch of the NP NSDD, DDLG concentrated on ensuring that project issues were well covered in the IP3. DDLG initiatives are reflected throughout the IP3. While many are not stand-alone, specific initiatives include providing policy support to the Head of NCDD/S, and developing all 4 sub-components of IP3 SP6 (NLCS), as well as the 6 main activities scheduled for implementation under IP1 2011.

In this second year of DDLG's policy support to the NCDD/S (Policy Unit), the project was confronted with many implementation challenges. This was due to the fact that the policy and working environment were constantly evolving and the NCDD/S itself was faced with the difficult tasks of finalizing the NP-SNDD, and of formulating an implementation programme, the IP3. These tasks involved identifying, achieving consensus on, and in some cases implementing policy, legal and administrative changes. They also necessitated a fundamental review and reorganization of the NCDD/S itself to deal with the emerging and ongoing challenges.

In this context and considering the ending of the other main support project, PSDD, in December 2010, the project adjusted its priorities and concentrated its technical assistance to support the finalization of the NP-SNDD and subsequent formulation of the IP3 2011 – 2013, and the IP1 2011.

At the request of the NCDD/S and DPs, the project also continued to facilitate coordination and information sharing between NCDD/S and its Development Partners.

As approved by the Project Board in 2009, the ToR of the Policy Advisor was revised to support the Head of the NCDD Secretariat from January 2010

delivery <i>exceeds</i> plan	delivery <i>in line with</i> plan	X delivery <i>below</i> plan
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**PROGRESS TOWARDS COUNTRY PROGRAMME (CPAP) OUTPUT:**

<b>CPAP OUTPUT: Mechanisms and capacities of local government improved to promote voices, accountability and partnership at national and sub-national level.</b>			
<b>Output Indicators</b>	<b>Baseline</b>	<b>Target</b>	<b>Current status</b>
■ National League of Communes/Sangkats operational with permanent Secretariat	0	1	Completed
■ No. of Provincial Associations of Communes/Sangkats established (baseline: 24 in 2008; completed)	0	24	Completed
■ # of new local government associations established (for district and provincial councils) (baseline: 0 in 2008; target: to be determined by options study conducted in 2009)	0	Depending on options study	The achievement of this output now mainly depends on political decisions and the pace of the D&D reform process and implementation of the IP3 (see below)
■ Inter-Commune Cooperation (ICC) guidelines for infrastructure and service projects developed, tested and finalized and merged as one ICC manual (baseline: ongoing; target: completed in 2010)	No	Yes	Completed
<p>As of 31 December 2010, DDLG has achieved 3 out of the 4 CPAP outputs indicators. Regarding the fourth output (Local government association for the new sub-national councils), a desk review of international practices was conducted by the Canadian Federation of Municipalities (FCM) and findings were used by the NLC/S and integrated in its 2<sup>nd</sup> Strategic Plan. While the importance to establish LGA for the new councils is stressed by Government (in the IP3), a timeframe has not yet been decided although it is expected that initial consultations will happen at the occasion of the next Council Congress (2011). As mentioned above, progress on this output mainly depend on political will and the pace and progress made on the IP3 implementation.</p>			

**PROGRESS TOWARDS COUNTRY PROGRAMME (CPAP) OUTCOME:**

<b>CPAP OUTCOME: Improving the delivery of social services and increasing participation of the poor in decision-making.</b>			
<b>Outcome Indicators</b>	<b>Baseline</b>	<b>Target</b>	<b>Current status</b>
■ % of national revenue allocated to communes	2.75% in 2008	2.90% in 2011	2.8M (in 2010)
■ Funds in million USD by development partners and Government channeled through the national D&D mechanism per year	45m in 2006	120m in 2011	Data not yet available
■ No of development projects identified through commune planning process which are funded from commune fund, district and provincial funds and NGOs	13,128 in 2008	20,000 in 2011	42926 (in 2009) 2010 data not available
■ ICC guideline integrated in the Project Implementation Manual as a formal national guideline for Communes and Sangkats projects	no in 2008	yes in 2011	Government has stated this as an activity to be implemented under IP3
■ % of citizens attended commune/local development meeting	34% in 2007	60% in 2011	Data not yet available
■ # of communes that adopted at least one best governance practice that was awarded under NLC/S-MoI recognition programme	0 in 2008	50 by 2011	Each provinces has identified 3 Best Practices to be submitted at the national level
■ # of governance issues raised by the NLC/S and formally considered by the Senate and/or the NCDD	0 in 2008	5 by 2011	2 (one on C/S functions and the other one on resources)

This year (2010) the Government's decision to incorporate the NLC/S as a implementing agent for the IP3 clearly demonstrate that the National League has reached a level of performance (both at policy and technical level) broadly recognized both by national government and development partners. While it is difficult to attribute CD gains to specific development partners, the support provided by UNDP, through DDLG has certainly been critical considering the lead position that DDLG has in NLC/S.

Similarly, the decision of Government to integrate ICC under national policies (as stated in the IP3) and therefore sustain the ICC concept and roll it out across the country is another indication of the work and results achieved by DDLG, both in terms of setting up systems, supporting the implementation of ICC projects while strengthening capacity at central and sub-national levels. These results strongly suggest that DDLG is effectively contributing to the achievement of this CPAP outcome while it is of course too early to objectively measure the project's direct attribution towards achieving this CPAP outcome.

### Capacity Development:

Following the CD approach redefined by DDLG in 2008, particular attention was given to address CD comprehensively, looking at policies, institutional and individual levels needs.

- a. **At the policy level** and as earlier reported, the project played an important role in supporting Government, the NLC/S and other stakeholders formulate and finalize the NP SNDD and prepare the first IP3. Result of this work includes stronger attention to new HR and CD needs and requirements, greater civic engagement and participation of LGA in the D&D process. At this level, DDLG also helped Mol/DoLA assess the ICC guidelines for a possible integration under national policies (eg: PIM). This work resulted in a revision of the IP3 that accommodates what is now referred to as "inter-administrations cooperation". Last but not least, DDLG assisted the NLC/S plan and formulate its 2<sup>nd</sup> Strategic Plan and played a critical role in supporting the NLC/S conduct an assessment of C/S capacities in all 24 provinces.
- b. **At the institutional level**, the project assisted the NLC/S develop an M&E strategy and strengthen its M&E commission. Work was also done in the area of Communication with the recruitment and training of a NLC/S Communication officer.
- c. **At the individual level**, the NLC/S and the Mol/DoLO organized series of trainings workshops (see inventory in annex) related to financial management, administration, ICC management and M&E. The project continued to support individual learning plans (based on individual TNA conducted in 2008). In 2010, 6 Mol/DoLA staffs attended 5 trainings courses (provided by private institutions). In May 2010, following the pre-visit organized in 2009, a inter-ministerial team lead by Mol and comprising of representatives from the Ministry of Planning; Economy and Finance and the NLC/S travelled to Indonesia to further exchange experiences on inter-government cooperation. As a result, the team returned to Cambodia with a stronger commitment to integrating ICC under national policies and new ideas and processes that could be used in the Cambodian context. The Operations team provided continuous support and on-the-job trainings to national counterparts, particularly in the area of financial management and project monitoring and reporting standards.

### Gender:

Gender remains a cross-cutting priority for DDLG. This year, with the project's support and facilitation, gender issues were discussed as part of the formulation of the NLC/S 2nd Strategic Plan and resulted in a stronger focus of gender issues and women participation in the new plan. The project has therefore helped facilitated internal discussions and the gathering of gender disaggregated and evidence based data, which resulted in strengthening the National League's commitment to maintain a strong focus on affirmative actions that support women political leaders and councilors and to mainstream gender in local councils' development plans. In its second strategic plan (draft), the League, under "Promotion of gender equity in local politics", expects by 2015 to have enhanced women participation and

representation in National League as well as on Capital and Provincial Associations of Local Councils. It in this context the League has also decided to establish a NLC/S Women and Children Committee.

#### Lessons learned:

The budget gap and the related communication difficulties between UNDP, the EU Delegation, the EU Regional Office, the Mol, the NLC/S and the project team has generated a certain level of dissatisfaction amongst stakeholders and national counterparts in particular. If a similar situation was to happen in the future, clear and regular communication channels would need to be established to avoid misunderstandings and reduce implementation and operations risks resulting from the difficulties to advance funds and/or process payments.

#### Donor Visibility:

DDLG is complying with the EU Information, Communication and Visibility guidelines. In 2010, 3 video on DDLG's work were produced (by 2 by UNDP and 1 by the EU Delegation) and uploaded in UNDP Global website and on the UNDP-Cambodian site. The EU video was shown at the occasion of the EU day. Links to videos on DDLG activities below:

1. [Commune cooperation eases villagers' hardship](#)
2. [In Preah Vihear province, villagers celebrate the return of a community lake](#)
3. [Video of Preah Vihear Lake](#)
4. [Radio slideshow of Preah Vihear Lake](#)
5. [In Preah Sihanouk province, villagers have their say in community planning](#)

As in previous years DDLG activities and the infrastructures developed at the local level are clearly identified as the "EU-UNDP project for local governance". In addition to visual signs on documents, reports, posters, flyers, backdrops, offices, vehicles and project signboards (e.g.: roads, bridges, etc), the EU and UNDP visibility continuous to be promoted through national and local media. Cambodian televisions and news paper regularly mentions the support of the EU and UNDP when reporting on DDLG, NLC/S and ICC activities. The project's visibility is also promoted at the occasion of foreign delegation visiting the project as well as during DDLG missions abroad (eg: India, Indonesia)

## Project Management, Coordination and Operations:

### Oversight function:

- Board meeting conducted on 11 Feb 2010 to approve 2010 AWP
- Audit on 2009 operations and management conducted by Price Waterhouse Cooper (10 Feb - 17 March 2010).
- ROM mission conducted from 30 August to 3 September
- Spot checks on financial operations and ICC implementation (2010) were conducted in most targeted provinces to accelerate implementation and provide timely feedback and coaching to Provincial Working Groups.
- DDLG Operation manager attended a EU Structured Dialogue (India) to share Cambodia experience on the participation and roles of CSO/LGAs in democratic development processes
- Bank names/accounts of MOI and targeted provinces were revised at the request of UNDP to comply with UNDP corporate policy and procedures
- EC overall budget 2006-2010 reviewed to plan and budget 2011 AWPB and comply with the EU overall budget allocation.

## III. Project implementation challenges:

### Updated project risks and actions:

#	Risks	Proposed Action in 2011
1	The adoption of the 2011 AWPB is delayed and impacts on implementation and overall delivery (note: Finalization of 2011 AWPB is pending UNDP's confirmation on the 2011 budget)	UNDP to take urgent action to confirm 2011 budget availability
2	Implementation and escalation of risks as a result of ICC contractors not being paid (note: 2010 ICC final installment could not be disbursed because of a budget gap due to lower exchange rates)	Urgent action from CO to release ICC last installment. Risk of exchange rate loss to be factored into the 2011 AWP.
3	Progress and changes in the course of the implementation of the IP1 may impact DDLG 2011 planned activities that are inter-related (eg: ICC integration and/or decision on new LGAs)	Board to monitor progress and take appropriate measure.

### Updated project issues and actions:

#	Issues	Proposed Action in 2011
1	Lack of budget since mid September 2010 affecting DDLG and IPs activities.	DDLG activities and targets to be reassessed in light of budget and time constraints Closer cooperation between project team, country office and finance unit when designing the AWP2011
4	Implementation challenges due to termination of salary supplements	UNDP to decide on POC and incentives and communicate to IPs.
3	Delay in the implementation of the Best Practice Award due to capacity gaps of the contracted NGO	Close monitoring and coordination with NGO and other partners.
4	Delay in the implementation of the new CD option for PAC/S	DDLG and UNDP to agree on the recruitment process of a consultant team

#### IV. Financial status and utilization

##### Annual Expenditures by Activity (January to December 2010)

No.	Key Activities	Budget (US\$) 2010	Expenditure (US\$) 2010	Balance(US\$)	Delivery (%)
1	Activity 1.1	104,132.40	48,693.37	55,439.03	47%
2	Activity 1.2	65,127.69	10,949.93	54,177.76	17%
3	Activity 1.3	3,852.00	353.10	3,498.90	9%
4	Activity 2.1	6,794.50	3,627.51	3,166.99	53%
5	Activity 2.2	22,844.50	5,358.80	17,485.70	23%
6	Activity 2.3	50,346.20	30,296.87	20,049.33	60%
7	Activity 2.4	64,200.00	539.82	63,660.18	1%
8	Activity 2.5	50,110.00	37,151.76	12,958.24	74%
9	Activity 2.4.1	80,200.60	67,794.02	12,406.58	85%
10	Activity 3.1	43,549.00	26,834.53	16,714.47	62%
11	Activity 3.2	51,039.00	37,504.88	13,534.12	73%
12	Activity 3.3	2,001,595.50	1,570,920.50	430,675.00	78%
13	Activity 3.4	7,105.87	0.00	7,105.87	0%
14	Activity 4.1	121,257.75	0.00	121,257.75	0%
15	Activity 4.2	26,043.00	24,546.48	1,496.52	94%
16	Activity 4.3	1,073,680.29	1,115,402.59	(41,722.30)	104%
<b>Grand Total</b>		<b>3,771,878.30</b>	<b>2,979,974.16</b>	<b>791,904.14</b>	<b>77%</b>

**Annex:** DDLG monitoring spreadsheets attached.

