



PROJECT REPORT 2015

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ACES – Association of Councils Enhanced Services Project 01-01-2015– 31-12-2015

Annual, 2015

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Country Programme Outcome: Capacity development of sub-national administrations.

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1. Executive summary

ACES project – “Associations of Councils Enhanced Services” – is aimed at turning the Associations of Sub-National Administration Councils (ASAC) into an effective representative of local voices for democratic development. The project builds on the previous EU-UNDP support project for Democratic and Decentralized Local Governance (DDLG, 2006-2011) which enabled the establishment and the development of the only Local Government Association in Cambodia. The project originally focused on the National League of Communes and Sangkats (the League) as implementing partner. However, as a result of latest institutional developments, there are currently two national associations of sub-national administration councils which has been established and/or expanded during the project implementation (2012-2014), namely the National League of Municipal, District, Khan, Commune and Sangkat Councils (NLC), a nation-wide association since its expansion in July 2014, and the National Association of Capital and Provincial Councils (NACPC), which was established in March 2013 and currently represents 25 capital and provincial councils. Beginning of 2015, both national associations decided to form a joint secretariat aiming at cost saving and effective and efficient coordination and promotion of service delivery for sub-national councils and councilors. Therefore, it is anticipated that the joint secretariat will play a very significant role to serve members of both associations through capacity development and advocacy work thanks to ACES intervention.

The ACES project is aligned to the League’s 2nd strategic plan 2011-2015, NACPC’s 1st Strategic Plan (2014-2019) and the Royal Government of Cambodia’s (RGC) decentralization policies, in particular the National Programme of Sub-National Democratic Development (NP-SNDD) 2010-2019, including the first Implementation Plan (IP3-I, 2011-2014), which was extended a year in 2014, and THE second implementation plan (IP3-Phase II, 2015-2017). Within two years of ACES project extension (2016-2017), the joint secretariat of ASAC will closely collaborate with NCDDDS on capacity development of sub-national councils, social accountability and gender.

Additionally, ACES Project is also in line with CPAP (2011-2015) guaranteeing continued tailor-made support to the capacity development of Local Government Associations (LGAs) and sub-national administrations. CPAP Outcome 4 – “By 2015, Sub-national administrations have capacity to take over increased functions” – involves assistance to LGAs and through them advocacy, access to information, and capacity development of local councils. The UNDAF Outcome 4 sanctioned by the RGC sets the parameters for this support: “By 2015, national and sub-national institutions are more accountable and responsive to the needs and rights of all people living in Cambodia and increase participation in democratic decision making”. This commitment to continue supporting sub-national institutions, downward accountability and civic engagement has been reinforced in UNDAF 2016-2018: “By 2018, national and sub-national institutions are more transparent and accountable for key public sector reforms and rule of law, are more responsive to the inequalities in the enjoyment of human rights of all people living in Cambodia, and increase civic participation in democratic decision-making (Outcome 3).

To achieve the project objectives and contribute to the accomplishment of the statements above, the output targets for year 2015 were planned as below:

- The Joint Secretariat has been able to take on increased roles and responsibilities in providing services to both Associations
- The Joint Secretariat operates in compliance with the newly established POMM
- First operational or advisory support service has been piloted
- Long-term policy guidance and 5-year strategic plan 2016-2020 of League of Local Councils is developed
- South-South cooperation through study tours/meetings aimed at enhancing the institutional capacity of the Associations of Sub-national Administration Councils are organized
- Grant provided to 6 PAs
- Code of Conduct for all sub-national administration councils/councilors disseminated

In progressing towards the accomplishment of the above targets, the project has achieved the following outputs in 2015.

The establishment of joint secretariat was officially decided by joint NACPC-NLC executive committee (March 2015) and presidency meeting of both national associations (NACPC and NLC) on May 26, 2015 in Phnom Penh. The presidency's meeting also appointed the existing NLC secretary general as joint secretary general and approved 6 core staffs (included secretary and deputy secretary general) for the new joint secretariat. The 4th Project Board Meeting (November 20) has also advised for the transparent and competitive selection of the four remaining core staffs by allowing participation from NCDSD/IP3, UNDP/ACES and other donors during the recruitment process. Thus, the recruitment of this core staff will be implemented between 2015 and 2016, i.e. the secretary general appointed and deputy secretary general recruited in 2015, and the remaining positions will be recruited during first quarter of 2016 through joint NACPC-NLC recruiting committee.

The Practical Operation and Management Manual (POMM) was finally reviewed and finalized by all staffs working at the Joint Secretariat (August 2015), then this document was officially approved by National Council of NLC on October 27th and by National Council of NACPC on December 7th.

As part of institutional and capacity development, six provincial back-stoppers (officers) have been recruited and placed to support six target Provincial Associations of Municipal, District, Khan, Commune and Sangkat Councils (PAs), namely Kompong Cham, Batambang, Siem Reap, Kompot, Sihanouk and Steung Treng province. However, the recruitment of advocacy manager/officer is pending as this position will be integrated into the secretariat's core staff in 2016.

Moreover, in order to provide effective services to member, the mentioned six target Provincial Associations of Local Councils (PAs) have received funds (via MoU) to implement activities related to the organization of provincial and district forums, capacity development (workshops) and advisory/counseling services. Within 5 month period, 53 district forums, 6 provincial forums, 3 workshops, 1 exposure visit and 36 advisory provisions have been organized and conducted by PAs. Through the forums, particularly district forums, the issues and needs of local councils and citizens are identified, clarified and addressed by relevant stakeholders. Advisory services were also provided to Communes and Sangkats on how to perform better roles and responsibilities of councilors/councils regarding local governance-related matters such as budget management, contract management, project management, service delivery to citizen, local development etc.

A regional forum has been organized in collaboration with the Senate on December 1, in Kampong Thom Province (region 8). The regional forums (joint activity between Senate and NLC) have been implemented since 2012 under support of ACES project, but this activity was pending in year 2013 and 2014 due to shortage of fund. This forum is considered an important event for both senators and C/S councilors as it provides a platform for dialogue about challenges and needs facing C/S councils. This activity is not deviated from national forums because of the involvement of a number of line ministries invited to respond questions (issues and needs) posed by local councils.

With regard to exposure visit or participation of NLC-NACPC delegates at LGA events, as members of UCLG-ASPAC several representatives of Cambodian Associations of Sub-national Administration Councils participated in UCLG-ASPAC Executive and Council Meeting at Wakatobi, Indonesia from 5-7 September 2015. The meeting was an opportunity for local government associations (LGAs), cities and local governments to share experience with each other, particularly about best practices and good local governance-related information. Additionally, a study tour to the Philippines was tentatively scheduled in December 2015 to support the project's efforts in terms of institutional strengthening and redefinition of strategic objectives, but this exposure visit has been postponed to March 2016 due to unavailability of organizing host in the Philippines.

A Code of Conduct (CoC) for local councilors (district, municipal, *khan*, commune and *sangkat*) was approved by NLC executive committee on March 5, 2015. The official launch of the CoC was

organized on June 11, 2015, in Phnom Penh. There were 16,000 copies of CoC for DMK-CS councilors printed and disseminated to all members. It is important to note that there are two types of CoC, the first one developed and used by NACPC for capital and provincial councilors, which was approved and disseminated to all 393 councilors and stakeholders in 2014, using membership fees, and the second one developed and used by NLC for DMK-CS councilors, which was approved and distributed to local councilors/DMK-CS councilors in March 2015 with support of ACES project. Presently, the CoC for capital and provincial councilors has been posted in NCDD website.

Capacity development to leaders and the provincial secretaries of both associations have been conducted through training. Four day training course on project management, the management and operation manual (MOM) and leadership was conducted in Preah Sihanouk Province and attended by PAs leaders, secretaries and assistants. The participants in this training have acquired capacity to manage their membership fees and ACES grant in year 2015. Different courses were conducted in order to capacitate PA leaders, staffs and provincial back-stopper/officers (IBOs) for ACES Project grant management and implementation such as a day refreshment course on planning and budgeting on August 30, 2015 at Le Royal Hotel, a day training course on PA-grant management for leaders, secretaries, assistants and IBOs on September 28-29 at the office of the joint general secretariat and 2 day training for NLC internal auditor (10-11 November 2015). On-job training has been provided by secretariat's staffs and ACES project advisors regarding planning, budgeting, activity implementation, reporting and grant management through field visits, e-mail and telephone calls. The transferred fund/grant to 6 PAs is an added value to capacity development, because it creates an opportunity to PA leaders and staffs to directly learn on finance and activity management (small project management) while being coached by the secretariat's staff and ACES project advisors.

Additionally, under technical support of ACES advisors and staff, 26 training courses on leadership and project management have been successfully conducted by 5 inter-provincial clusters (5 provinces by cluster) of the National Association of Capital and Provincial Councils (NACPC) to 393 capital and provincial councilors (country wide). There were 616 participants including councilors and staff from 25 capital and provinces, and the courses were covered with NACPC membership fees. These training courses conducted by NACPC clusters were reviewed and evaluated through reflection workshop organized on October 30, 2015 at Sihanouk Ville. As a result, the councilors have expressed high level of satisfaction with training services provided by NACPC and have requested further capacity development opportunities such as workshops, meetings and exposure visits.

To ensure effective implementation and transparent budget management, particularly for EU-UNDP/ACES funds, several activities were carried out related to monitoring, evaluation and auditing to mitigate risk such as an external audit conducted by international consultant (the BDO Co, LTD) from 19-20 February 2015, the Project Board Meetings organized on July 7 and November 20, 2015 to review the ACES-project achievements and provide orientations/recommendations for the project implementation. The 4th Project Board meeting organized on November 20, 2015 has decided and provided for i) 2 years ACES project extension (January 2016-December 2017), ii) strategic guidance for strengthening the functioning and sustainability of the Joint Secretariat of the Associations of Sub-National Administration Councils and iii) official approval of two year work plan 2016-2017. In addition, the 4th Project Board Meeting officially appointed Mr. Pok Sokundara, currently ACES National Project Manager, as ACES National Project Director.

HACT assessment (Harmonized Approach to Cash Transfers to Implementing Partners) was conducted by international auditing firm named Lo Chan from 4-11 November 2015 and internal audit was conducted by internal auditors to 8 PAs in November-December 2015. The reflection workshop of PAs grant implementation and retreat have been rescheduled to early next year (2016) due to overload at 2015 year end (extension proposal, progress reports, plan, etc.).

The existing Women and Children Committee of NLC met and discussed issues on core values for Cambodian female councilors on June 30, 2015. The meeting was attended by 38 participants (18 females). A major conclusion of this meeting is the common view on the importance and need to develop core values for female councilors, so that the Women and Children Committee has

requested ACES further technical and financial support in developing the core values for female councilors.

Besides the above priorities, a number of additional activities were implemented in 2015 such as i) development of 2-year project extension proposal by joint secretariat and ACES advisory team based on consultation process involving the project's main stakeholders as well as analysis of current institutional and financial environment, ii) EU Result Oriented Monitoring mission, which has been conducted in October by international consultant commissioned by the European Union, iii) Pre-assessment for future EU financial support to national programs on sub-national democratic development (NCDD) conducted by international consultant commissioned by the EU (October), iv) develop two-year work and budget plans, and v) communications, coordination and meetings with stakeholders.

2. Implementation progress

DELIVERABLE01: The consultation processes required for the expansion of the League's membership with District, Municipal and Khan Councils have been designed, endorsed by the RGC, and implemented.

All activities of deliverable one were closely related to establishment and expansion of the associations of sub-national administration councils in Cambodia (ASAC) and these activities have fully completed in 2014 as a result of the official establishment and registry with the Ministry of Interior as legal entities of the National Association of Capital and Provincial Councils (NACPC), the National League of Municipal, District, Khan, Commune and Sangkat Councils (NLC) and 25 Provincial Associations of DMK-CS Councils.

DELIVERABLE02: The League and its Provincial Associations have revised, improved and put into practice solid internal systems and procedures.

With limited membership fees and while waiting for endorsement of government regarding a new proposal to increase membership fees (the new proposal is 2.5% of C/S admin fund and 3.5% of DMK admin fund), the joint secretariat needs financial support for its functioning and operations. Therefore, ACES project has partially been contributing financial resources for staff's salaries, stationeries, office equipment, maintenance, telephone etc. The secretariat is also receiving contribution from other donors like NCDD-IP3, Senate (office, water and electricity), FCM and KAS. However, a donor coordination meeting should be organized to discuss and show commitment to operational requirements of the secretariat. This was also advised by 4th Project Board Meeting on November 20, as well as integrated plans developed by joint secretariat for transparent, effective and efficient fund management. The donor-coordination meeting should promote the program based approach of joint secretariat/associations, and it is a great asset for institutional strengthening.

Two Project Board Meetings have been held in 2015 on July 7 and November 20 to review the ACES project progress in year 2014 and the three first quarters of 2015, to identify priorities for implementation in year 2016-2017 and, most important, to design and approve a no-cost project extension from January 2016 to December 2017. Following guidance of 3rd Project Board Meeting, a technical group consisting of UNDP CO, project advisory team, NLC, NCDD and Joint Secretariat staffs totally 10 (2 females) met at Siem Reap province in August to review the MTR recommendation/finding, to discuss a working plan for the formulation of a two-year project extension proposal and, accordingly, to update the key priorities for next two years (2016-2017). Subsequently, the 4th Project Board meeting has deeply discussed and provided strategic guidance on functioning and sustainability of the Joint Secretariat, including appointment of ACES Project Director, recruitment of core staff according to specific timeframe and effective implementation of operational management manual for effective and transparent project management. It was also agreed that the secretariat will gradually pay for all core staff salaries (6 staffs) by year 2018. Additionally, all board's members have officially extended ACES project for next 2 years starting from

January 2016 to December 2017 and appointed Mr. Pok Sokundara as ACES National Project Director.

The Practical Operational Management Manual (POMM) for joint secretariat of both Associations has been reviewed and revised by technical staff of the secretariat since 2014 and finalized in August 11-13, 2015 (14 staffs, 2 females). The key POMM principles were discussed and endorsed by NACPC-NLC ExCom meeting (110 participants, 16 females) on March 5, 2015 and then officially approved by NACPC-NLC presidency meeting on May 26, 2015, (39 participants, 7 females). Lastly, the POMM was officially approved by NLC Executive Committee and National Council meeting at Kratie Province from 26-27 October 2015. Given that the POMM will be used by the joint secretariat, it has also been approved by NACPC Executive Committee and National Council in official meeting held on December 7, 2015.

ACES project has shared costs with NCDD/IP3 for governing bodies meetings of both Associations to boost the adoption of POMM and to establish a joint secretariat. A series of governance meetings have been organized in 2015, as follows: i) joint executive committee meeting (ExCom) held on March 5, 2015 in *Siem Reap* Province to decide/approve joint secretariat, six core staff positions and also to adopt Code of Conduct for local councilors (DMK-CS). This meeting was attended by 110 participants (included 16 females); ii) the NLC Executive Committee and National Council meeting organized for two days from 26-27 October 2015 at Kratie Province (80 participants, 11 females). This meeting is ordinary governance's business meeting of the NLC to discuss and review last year achievements and approve the next year plan (both activity and budget plan for year 2016); and iii) the NACPC Executive Committee and National Council meeting organized on December 7, 2015 in Phnom Penh attended by 86 participants (16 females), likewise aimed at reviewing last year achievements and approving next year work and budget plan.

Annual external audit of ACES project has been conducted from 19-20 February 2015 by the BDO Co, LTD. There were a few points regarding low risks found by auditor. The management responses developed by Implementing Partner (joint secretariat) with support from ACES advisory team were submitted to UNDP CO. The conclusions of this audit indicated that ACES has transparently and effectively been managing/utilizing project's budget.

Additionally, HACT assessment was also conducted from 4-11 November 2015 by independent international consultant (Lo Chan Auditing Company) to identify strengths and areas that need further improvement for sound internal management of the joint secretariat as implementing partner. The HACT is a comprehensive exercise to assess the internal management system of implementing partners relying on what is called risk management approach. While waiting for the HACT report, based on debriefing note of the consultant, there are several areas that need improvement with low risks suggested. All recommendations made by international consultant have been addressed in POMM, so it is anticipated that overall the joint secretariat is equipped with an appropriate financial management system for effective and transparent project management.

NLC internal auditors (20 participants, 11 females) were trained from November 10-11, 2015 on financial management, administration and procurement in Phnom Penh following field practice through exercises on financial audit conducted in 6 target PA receiving grant from ACES project and two additional PA. It is anticipated that capacity of internal auditors will be improved and will function appropriately after ACES project intervention. Thanks to ACES technical assistance, the internal auditors will gradually take increased role in financial auditing, project monitoring and evaluation and performance assessment of NLC presidency and secretariat staff.

Six provincial back-stoppers/officers (IBO) have been recruited and placed in order to provide technical support to 6 target Provincial Associations of local councils (PAs), i.e. Battambang, Kampong Speu, Preah Sihanouk, Siem Reap, Stoeng Treng and Kompong Cham. These IBOs were oriented on 28-29 September 2015 at Joint Secretariat's Office in a meeting attended by leaders of PA and secretaries as well (30 participants, 8 females). Additionally, the ACES project advisors has provided technical support to the Joint Secretariat and Associations in recruiting the deputy secretary general through merit-based competitive process.

In order to ensure a sound management of grants transferred to PAs, ACES staffs were split into three groups to provide technical advice related to organization of forums (district and provincial forums), advisory service provision and capacity development. As a result, the leaders, secretaries, assistants and the provincial back-stoppers received advice and improve their capacity through coaching and on-job training. Previously, a technical working group met on July 1, 2015 in Kampot province to review the draft MoU for 6 PA grants (38 participants, 7 females). The participants agreed on the key principles of MoU term, activity implementation timeframe and financial responsibility. The Memorandum of Understanding (MoU) between NLC and 6 PA presidents was officially signed in July 30, 2015 at Le Royal Hotel. The official signing ceremony was attended by NLC presidency, staff of joint secretariat, PA leaders and staff, representatives of NCDD, MoI, EU and UNDP (45 participants, 15 females). The first installment transferred from the project to PAs right after the MoU signing amounts to USD12,000.00 per province out of a total grant of USD20,000.00 per province, and the second installment has been transferred in November 2015 with amount of USD8,000.00.

Following the MTR recommendations and guidance provided by 3rd Project Board Meeting, the ACES advisory team and staff of secretariat have been actively developing an extension proposal of ACES project for next two years starting from January 2016 to December 2017. The revision of project document and supporting documents was based on consultation process involving key stakeholders such as both Associations, NCDD UNDP and EU, including preliminary inputs from ROM mission. Some key areas were prioritized in next two year updated plan such as institutional assessment, enhancement of internal systems and procedures, optimizing project management arrangement, recruitment of core staff, social accountability and financial sustainability of joint secretariat and strengthening of gender.

EU ROM mission has been conducted by international consultant from September 30 to October 7, 2015 to assess the project results. The consultant was meeting and discussing with different stakeholders such as leadership and management of both Associations (NACPC and NLC), staffs of joint secretariat, NCDD, UNDP project advisory team, UNDP CO (senior management and gender and governance specialists, NGO, etc. The consultant has also visited Siem Reap province to meet with leadership and staffs of provincial association of local councils, provincial councilors and a selected commune. A debriefing was conducted on October 7 for key stakeholders (Associations and UNDP). In addition, the project advisory team has received another EU international consultant conducting pre-assessment for future EU financial support to national government programs on sub-national democratic development, including associations of subnational councils. In collaboration with the joint secretariat and UNDP advisory team, a field mission of EU Delegation in Cambodia was conducted on November 19 to assess the PA-grant activities at Kampot province. During the field mission, EU governance and human rights officer observed the Provincial Forum, met and discussed with presidency of PA of Local Councils.

Deliverable 3: The members of the governing bodies of the Associations of Sub-national Administration Councils (National League of DMK-CS Councils and National Association of Capital and Provincial Councils) and its 25 Provincial Associations have the analytical capacities to proactively develop policies, to communicate their opinions, and to supervise the activities of their respective secretariats

Under ACES technical support, two training courses (ToT-training of trainers, through outsourcing) on project management and leadership organized for i) 40 capital and *khan* councilors and capital administration staffs in May and ii) 34 NACPC-cluster leaders, mentors, NLC leader, Monduliri provincial councilors and NACPC's leaders in June 2015 at Monduliri Province. The trainers (cluster leaders and mentors) have continually trained the members/councilors at their respective clusters (August-September, 2015). As a result, the total number of trainees has amounted to 500 (including 393 capital and provincial councilors). These 26 training courses were fully covered by membership fees with technical support from ACES advisory team and secretariat's staffs. A reflection workshop organized on October 30, 2015 after 26 courses completely conducted by NACPC clusters in order to

review the satisfaction of participants. The result of reflection indicated that they are highly satisfied with provided trainings and suggested to continue and expand/scale up the capacity-development activities such as exposure visits, workshops and meetings for information and good-practice shares.

Four-day training course on project management, leadership and operation management manual (MOM) conducted for provincial associations (PAs) leaders, secretaries and assistants coming from six provinces (from 10th-13th March 2015) at Preah Sihanouk Province. 37 participants (11 females) indicated their satisfaction and confidence to manage their membership fees and ACES project grant in third quarter 2015.

Right after MoU signed on August 30, a refresh training on PA grant management including planning, budgeting, reporting and MoU management conducted for all leaders and staffs coming from 6 target PAs. There were 42 trainees including 15 female.

The NLC internal auditors and selected staffs of joint secretariat trained on auditing skills from 10-11 November 2015 (20 participants, 11 females). The trained participants have done practical exercises to audit ACES PA grant at 6 provinces during November and December 2015. The internal auditors appointed in July 2014 by NLC congress playing comprehensive role and function on financial auditing, appraisal the performance of presidency and joint secretariat staffs (including secretary general and deputy secretary general). The transparency of financial management and effective activity implementation are strongly related to the capability and functions of internal auditors.

In order to reinforce the institutional and human capacities of the Joint Secretariat, the project extension proposal has included an international consultancy to conduct an institutional needs assessment and capacity development plan of the Associations, with an updated capacity development and training plan as major expected output. The proposed institutional capacity assessment is covering three deliverables, namely deliverable 3, 4 and 6. It is anticipated that the training manuals and other capacity-building tools will be developed by experienced consultants to ensure compliance with international standards, then will be used/applied by joint secretariat and PA secretariat.

Social accountability (I-SAF) has been included in two-year extension of ACES project. It is expected that the project will collaborate with NCDDES (I-SAF team) to train councilors on I-SAF concept at 12 PA-grant provinces. However, the terms of this cooperation will be discussed in detail with stakeholders in the coming weeks/months.

ACES advisory team has developed technical concept papers related to lessons from developing countries on decentralization and role of local government associations, These papers were presented at D&D workshop supported by NCDDES in Siem Reap province on November 17, 2015 attended by sub-national administration councilors, NCDDES and relevant ministries (Ministry of Education, Youth and Sport, Ministry of Interior, Ministry of Women's Affairs, Ministry of Rural Development) and Senate.

Deliverable 4: The support staff of the NLC, NACPC and the 25 Provincial Associations has the technical skills to comply with the internal systems and procedures

PA secretaries and assistants came from six target provincial associations (PAs) attending four day training course (from 10th-13th March 2015) at Preah Sihanouk Province. It was a joint course with PA leaders as indicated in deliverable 3.

The advisory team and staffs of joint secretariat have been coaching and providing a long-distance training via e-mail, phone, tested with Facebook and visiting the provinces. The subjects for distance-learning were planning, accounting system, budgeting, facilitation and methodology-organizing forums.

An orientation course provided to Provincial Back-stoppers on 28-29 September 2015 at the Joint Secretariat's Office, presided by H.E Say Kosal, president of National League of Local Councils (NLC), Madame Mom Krosal, vice-president of National Association of Capital, Provincial Councils (NACPC), and attended by the leaders of 6 provincial Associations (PAs) and the secretaries and provincial back-stoppers (30 participants, 8 females). The course took advantage of ACES project advisors and joint secretariat staffs as resource persons in providing a conceptual introduction on structures of associations of sub-national administration councils (ASAC), ACES project overview, grant activity implementation, reflection on grant implementation during the past two months (strengths and challenges), financial management, reporting and forum's methodology and organization.

Deliverable 5: The Associations of Sub-national Administration Councils' financial sustainability strategy is implemented including the revision of membership fees, the spread of donor dependency, and research on service charges

Fund raising initiatives was planned in alignment with NCCDS (shared cost) to conduct a workshop on services charge. This activity was cancelled/amended by NCCDS in 2015, therefore ACES did not implement it either.

Under technical support of ACES advisory team and secretariat staffs, small scale project/activity proposal were introduced to provincial associations of local councils. A few provinces (PAs) have successfully mobilized resources from NGOs and government organizations located at their respective province, such as Ratanakiri and Kampot have received a small fund and human resources from VSO and GIZ implementing activities for its members.

NACPC has successfully mobilized resources and facility support from capital and provincial administrations (provincial board of governors) for training, meetings and other events. For example, the provincial board of governors offered rooms for meetings, training, events and logistic supports in response to NACPC requests.

Reduction of administration and operation cost is contributing to organizational sustainability. In order to save in operation cost for both Associations, ACES project and NCCDS/Mol have been organizing and facilitating series of meetings to decide the establishment a joint secretariat such as i) NACPC-NLC president meetings (January 6 and March 2, 2015), joint executive committee meeting of NACPC&NLC (March 5, 2015) and NACPC-NLC presidency meeting (May 26, 2015).

A strategic decision on appropriate core staff numbers reflecting the potential of membership fees is also part of financial sustainability. Both Associations have agreed having a Joint Secretariat with 6 core staff, namely Secretary General, Deputy Secretary General, Administration Officer, Finance Officer, Policy Analyst Officer, and Capacity development and Advocacy Manager. In order to ensure a gradual process towards financial sustainability, the Secretariat has outlined an advocacy strategy based on increase of membership fee collection and gradual payment of core staff salaries.

Currently, the NACPC possesses resources to cover its share of the Joint Secretariat's core staff and operation, and can additionally allocate some money to support for the meetings of its governing bodies such as presidency meeting, twice Executive Committee meeting and National Council meeting, and even to conduct capacity development activities for its members. On the contrary, NLC has a significant budget deficit. Hence, NLC needs to advocate vis-à-vis the Central Government (Ministry of Economy and Finance) to raise the membership fees from its members. At the moment each of the communes and sangkats provide \$75 annually to the PA, while districts, municipalities and Khans do not pay anything. If the membership fees from District, Municipality and Khan is increased to 3.5% of administration funds (excluding the salary of Councilors) and that of Communes and Sangkat is increased to 2.5%, NLC would collect a total annual revenue of \$50,000.00. At this point, NLC could only afford the payments of core staff and the operation costs of Joint Secretariat. In order to ensure full sustainability by covering additional costs to organize meetings of governing bodies and provide capacity development, NLC needs to raise its revenues up to the annual amount of \$65,000. This would entail to increase the percentage of C/S administration funds to 3.5% and

reach 3.5% for DMK administration funds. Given the current financial situation of the NLC and the commitment of its governing bodies to achieve a self-sufficient status in the near future, the Joint Secretariat ensures that the payment of its core staff will be gradually covered by membership fees according to the following timeframe:

- 2016: Salary of Deputy Secretary General fully paid by membership fee
- 2017: At least 30% of the salaries of the 6 core-staff positions are paid by membership fees (approximately \$28,200: NLC=\$16,920, and NACPC= \$11,280). See table below.
- 2018: Assuming that membership fees amount at least to 2.5% of administration funds in C/S and 3.5% in DMK, 100% of the salaries of the 6 core-staff positions are covered through membership fees.

Like many other LGAs worldwide, the ASAC will require additional external support in the near future. The assessment and re-definition of the ASAC's strategic objectives will provide insight on how to better achieve financial sustainability while preserving institutional independence. In this regard, upon project completion the Joint Secretariat will be well-positioned to put forward a sound partnership strategy based on diversification of funding sources including paid services to members, co-sharing of operational costs in projects funded by international development partners, government support, collaboration with private sector and civil society organizations, etc.

Moreover, the institutional and financial sustainability is strongly correlated to professional capacity of core staff working at the Joint Secretariat. Both Associations and the Joint Secretariat are committed to recruit the remaining 4 positions according to competitive and transparent selection process. Therefore, the Secretariat will shortly be endowed with capable and professional staff to effectively and efficiently provide services to members of both Associations, build trust among members and attract external resources from a variety of partners.

The advocacy manager will be recruited in 2016, so it is believed that she/he will provide strategic and technical leadership to the Joint Secretariat and Associations in advocating with government/NCDDS to increase membership (new proposal fees) and assume more responsibilities on capacity development of SNA, among other possible tasks.

An integrated plan of joint secretariat, standardized finance and administration policy, transparent financial utilization/management and professional staff were advised by 4th Project Board in order to strengthen trust with donors, governments and members to invest/support more for the associations/joint secretariat.

Sustainability of Provincial Associations of local councils (PAs—finance and organization) is not only contributing to decentralization and administration reform, but will also contribute to NLC financial sustainability. Like NLC, all 25 PAs are legal entities working and serving their members at their respective province or capital. As PAs are strengthened, they will require less financial support from NLC, and might even be able to contribute back to NLC and other PAs with limited resources. Based on PA-grant and technical support of advisory team and joint secretariat, during two-year extension, PAs with strong potential in terms of membership and fees collection will be strengthened and will be able to operate with less extra financial support. However, their actual institutional strength to collect fees and deliver services will depend on satisfaction of members on PA services.

Deliverable.6: The capacities of Sub-national administration Councils have been developed by mutual learning, stimulating the communication and exchange of information among Cambodian Councilors, and between Cambodian Councilors and other Councilors from the developing world.

10 Cambodian LGA delegates consisted of 3 NACPC (2 vice presidents and 1 female provincial councilors), 4 NLC president and deputy presidents, 1 Secretary General and 2 staffs of UNDP (1 UNDP CO and 1 ACES Project staff) have attended UCLG ASPAC (United Cities and Local Governments

Asia Pacific) meeting at Wakatobi, Indonesia from 5-7 September 2015. The key lessons from the meeting were:

- Decentralization process and administration reform in Cambodia is aimed to promote good governance at sub-national administration and to enhance local development and public service delivery. However, political will is a very important aspect affecting the transfer of duties, functions and resources to subnational administrative levels which are closer to local people.
- Improving the standard of living of poor people in cities or urban areas is not only about social equity, but in the long term it can also contribute to building and maintaining security and peace in cities as well as in our countries and the world at large.
- UCLG ASPAC is a professional organization. It has currently only 5 staffs, but they can work well and effectively provide services to members of different countries in region. Advocacy and capacity development are the main activities of local government associations. So the Joint Secretariat of Cambodian Associations of Sub-national Administration Councils needs to concentrate on provision of these two main services (capacity development and advocacy) to its members (less ambition, but clear response to common needs of members and qualified services).
- Financial policy of UCLG ASPAC complies with international standards (ISO 9002). It is important to build mutual trust of members regarding financial and administration management. Therefore, Cambodia Associations need to adopt and use the current POMM as soon as possible to build confident/trust of members and to promote transparency and accountability to members, donors, governments and other stakeholders.

With support from joint secretariat and ACES advisory team, HE Morn Phalla, deputy president of NACP and NACPC delegates have presented the UCLG meeting report and key lessons learned to NACPC National Councils members in a meeting on December 7, 2015 at Naga World Hotel, Phnom Penh with 86 participants (16 females).

On the other hand, the secretary general of ASAC participated in south-south exchange/workshop on addressing multi-dimensional poverty and improving service delivery from 15 to 17 December in HCMC. The workshop was organized by UNDP in collaboration with Ho Chi Minh City of Vietnam attending local government representatives from 4 to 5 countries in region such as Bangladesh, China, Laos, Indonesia and Pakistan. The workshop has allowed participants to learn about HCMC experience and other regional cases in adapting and using the multi-dimensional poverty assessment, and the different strategies adopted to strengthen the local governance framework for planning, budgeting and implementation; as well as the practical initiatives implemented to improve service provision to poor and near-poor households

DELIVERABLE07: The interests of Local Councils and citizens have been promoted employing constructive methods for advocacy of clearly defined needs and demands.

A regional forum has been implemented by the Joint Secretariat as stipulated in 2015 annual work plan (to organize national forum/regional forum). The regional forum was a joint activity between Senate and NLC implemented since 2012 under support of ACES project, but this activity was pending in year 2013-2014 due to shortage of fund. The forum is considered an important event for both senators and C/S councilors engaging in dialogue about challenges and needs faced by the C/S councils. The regional forum is organized mainly for advocacy purpose by creating an opportunity for local councils on behalf of citizens to voice out local issues and needs. The regional forum was organized on December 1 at region 8 in Kampong Thom Province attending 324 participants and aiming to i) advocate for Kampong Thom authority to register the land uses, community land management and to curb/stop the forest-land encroachment, ii) collect issues/challenges and needs of commune and sangkat councils regarding C/S role, especially the local services and developments, iii) update/receive information from provincial authority, provincial line departments and associations on local councils' issues and needs, iv) disseminate election law (election of National Assembly and process of National Election Committee) and v) understand on ID card issued for

citizen at Kampong Thom Province. The collected/consolidated issues/challenges resulted from district and provincial forums (especially 2015 PA grant) have presented and discussed at the regional forum in order to obtain clarifications and responses from relevant ministries (under senators' facilitation).

Provincial forums, district forums, capacity development and advisory service provision implemented by 6 PAs under ACES grant and support, in line with recommendation of MTR made in 2014 indicating that ACES needs to focus and create more impact on service delivery at local level, particularly through grants to PAs implementing activities to serve the members (councils). Therefore, advisory team and secretariat staffs have been developing procedures and thematic papers for management of PA grant such as memorandum of understanding (MoU) and different forms of activity plan, budgeting plan, reporting and accounting system. Once all thematic papers and strategy was prepared, the official launch of PA-grant was organized on July 30, 2015 at Le Royal Hotel, in Phnom Penh. There were 42 participants and guests (15 females) coming from UNDP CO, EU, NACPC, 6 target provinces and staffs of joint secretariat. PA leaders and staffs received refresh training on planning, budgeting and forum organization methodology right after MoU-signing ceremony finished. In this ceremony, checks with amount of \$12,000 was handed over to each PA and was deposited into bank accounts of PAs to implement the activities as stated in the MoU, i.e. provincial and district forums, capacity development and advisory services to its members. After receiving the grant, PAs have been actively implementing activities at their respective province. As a result, 6 provincial and 53 district forums have been organized in order to identify issues and challenges relating to DMK-CS roles, 23 capacity development activities (or workshops) through training/workshop have been conducted in Siem Reap and Kompong Cham province on the roles and responsibilities of local councils, and 160 advisory or counseling services were provided to its members (C/S councils). PA of Kampot organized a study tour visiting the PA at Pailin province in order to learn and share experiences together regarding association's management and to meet and discuss with councilors of selected communes/sangkats. The second installment was transferred from NLC account to PA account in November (with amount of USD8, 000.00), so PAs will expand their capacity to implement remaining activities as stipulated in MoU to best serve their members (local councils) at their respective province. Key results of PA grant implementation are as follows:

District and municipal forums: the project fund was transferred to 6 target provinces in July 30, 2015. Within 5 months only, the 6 PAs have actively organized 53 district and municipal forums. The forums have become a platform to identify issues and needs of local councils (CS-DMK councils) including civil registration, role and responsibility of commune and sangkat councils, administration (lack of working office), and social services. These issues were discussed between DMK-CS councilors, sectoral offices, NGOs, community representatives, municipal and district boards of governors (DMK) and officers of provincial administration. A consolidated report was written by provincial associations (PAs) and secretariat (with technical support of IBOs, joint secretariat and ACES advisors) to share information and provide feedback to members/councils. The consolidated issues and needs resulted from district forums were also presented to line ministries at region 8 (regional forum) under facilitation of senate/senators.

Provincial forums: 6 provincial forums organized after district and municipal forums completed. The common issues and needs collected during the district and municipal forums presented to board governors, provincial councils, sectoral departments, military and police. Most issues were clarified and provided at least technical responses/recommendations to local councils during this event.

Advisory provision: 160 advisory services provided. PAs leaders and secretaries visiting and advising selected communes and sangkats for improvement of their roles and functions such as council meeting organization, planning, project management and budgeting.

Workshop: 23 workshops also organized through PA grant. The workshop is part of capacity development for local councilors. Speakers from provincial departments and provincial administrative officials were invited to deliver their presentations on role of commune/sangkat councils, land management, etc. and share information and provide clarification on common issues facing local councils.

Exposure visit: A study visit organized by PA in PA in Kampot and Preah Sihanouk visiting the PA at Pailin and Modul Kiri Province. This visit creates an opportunity for both PA (Kampot to Palin, and Preah Sihanouk to Modulkiri) to share experiences and learn from each other on operations, leadership and management of associations, especially with regard to service provision to members.

Reflection workshop and staff retreat was planned in December to review the activities implemented and achievements of 6 PAs in order to identify strengths, weaknesses, challenges and lesson learned for further identification of 6 target provinces receiving grant from ACES project in 2016. However, due to overload of activities in December 2015, the joint secretariat decided to move this activity to early 2016.

The quarterly bulletins of Associations of Sub-national Administration Councils (ASAC) produced and website was updated and uploaded new information. There were 12,000 copies of bulletins (3,000 copies each quarter) published by joint secretariat and disseminated to all sub-national administration councils (IP3/NCDDS and ACES provided cost sharing for the publication of bulletins).

With technical assistant/support by ACES team, NACPC has nominated four representatives of Capital and Provincial Councils in NCDD sub-committees—the Committee of Sub-national Functions and Resources, Committee of Sub-national Fiscal Policy and Finance, Committee of Sub-national Personnel and Committee of Sub-national Planning. These committees are playing a role in development of policy, systems and procedures for sub-national administration, although the committees are not holding meetings on a regular basis. The NACPC has identified key issues and needs of sub-national councils, which can be used as inputs for discussion in NCDD-sub-committee meetings/events. Therefore NACPC is ready for active participation and contribution on decentralization, de-concentration and local governance policy dialogue in Cambodia. Key issues and challenges faced by capital and provincial councilors were primarily discussed with NACPC presidency, but deepening and comprehensive study is needed. This task will be supported and implemented by advocacy manager/officer recruiting in 2016.

Preliminary advocacy and communication strategy drafted by ACES, but it is waiting for finalization by joint secretariat and NACPC as soon as possible. This draft strategy will be consolidated upon completion of institutional needs assessment.

Deliverable 9: Sub-national Administration Council civic engagement policies and processes have been enhanced by transparent governance mechanisms and proactive communication

The 2-year ACES project extension has included a new activity in civic engagement, namely to develop accountability promotion initiative focused on effective support for the implementation of the Social Accountability Framework. This activity will be implemented in 2016 in connection with related activities of deliverable 11.

DELIVERABLE 10: The members of the League have endorsed and implemented standards for public ethics in local government.

Code of conducts (CoC) for councilors of district, municipal, *khan*, commune and *sangkat* was officially endorsed by NLC executive committee on March 5. 1, 6000 copies of CoC for local councilors printed and disseminated to members through official launch organized at Inter-continental Hotel, Phnom Penh on June 11, 2015 (131 participants, 20 females).

There are two types of CoC developed under ACES intervention. The first one has been developed, adopted and used by capital and provincial councilors (2014, using membership fees) and the second one was developed and adopted by NLC under ACES financial support.

Deliverable 11: The Associations of Sub-national Administration Councils and its Provincial Associations have reinforced their partnerships with RGC, civil society and donor agencies in order to promote Sub-national administration Council and citizen interests.

Proactive meeting with focal persons on social accountability at NCDDDS held on October 30, 2015. An official request has been subsequently developed by ACES project for upcoming collaboration between the joint secretariat and NCDDDS to support the Implementation Plan for the Social Accountability Framework through involvement in the Steering Committee of I-SAF and specific cooperation on the supply-side. The terms and conditions of this collaboration need to be discussed and agreed, but the joint secretariat has already expressed interest to provide financial and technical support aimed at facilitating the capacity development of SNA staff on how to promote social accountability and work effectively with citizens, CBOs and NGOs, for instance through ToT on social accountability to ASAC members (subnational councilors) at 12 target provinces.

During the 4th Project Board meeting, I-SAF was discussed to endorse the inclusion of this activity in extension phase of ACES project. Thus, further discussion with relevant stakeholders such as NCDDDS, EU, UNDP and relevant NGOs is needed for implementation in year 2016. At the meeting HE Ngan Chamroeurn agreed to include representatives of both Associations (NACPC and NLC) in the I-SAF committee.

Deliverable 12: The Sub-national administration Councils are operating efficiently, effectively and transparently utilizing the Associations of Sub-national Administration Councils' operational and advisory support services with a specific eye on the accomplishment of the CMDGs and SDGs

160 advisory services provided by PAs through grants in 2015. 6 target provinces regularly receiving technical support and advice from ACES advisory team and joint secretariat on forum-organizing methodology, facilitation skills in meeting/forum, planning, budgeting, reporting etc. (This activities are described in deliverable 7).

DELIVERABLE13: Women participation in the League, the Provincial Associations and Local Councils has been enhanced

Concept note of core value for female councilors developed and workshop organized on June 30, 2015 in order to discuss outline and roadmap regarding the empowerment of the Cambodian female councilors in the leadership of either associations (ASAC and PAs) or Cambodian sub-national administration councils. 38 participants (18 females) attended in this workshop coming from NACPC, NLC, MOI, MoWA and NCDDDS.

Following EU recommendation, gender equity will be further promoted through inputs of institutional needs assessment and very especially with recruitment of gender specialist to provide technical advice on gender analysis and mainstreaming, gender-sensitive policies and women's political participation to joint secretariat and associations of sub-national administration councils.

2.1. PROGRESS TOWARDS PROJECT OUTPUTS:

The implemented activities in year 2015 are summarized in matrix table as below:

Output 4.3: Local Government Associations are better able to advocate for their members and provide them services.			
Output Indicators	Baseline (Aug 2012)	2015 Targets	Current status
<p>Systems and procedures for operation of Associations of Sub-national Administration Councils</p> <p>(Deliverable 2)</p>	<p>Insufficient systems and procedures for operation of Local Government Associations</p>	<ul style="list-style-type: none"> - The Joint Secretariat operates in compliance with the newly established POMM - Long-term policy guidance and 5-year strategic plan 2016-2020 of new League of Local Association is developed 	<ul style="list-style-type: none"> - POMM was finalized by joint secretariat staffs and ACES advisors in August 2015 at Sihanouk Province - The POMM was officially approved by NLC Executive Committee and National Council on 26-27 October 2015 and also approved by NACPC Executive Committee and National Council in December 2015. Other activities related to POMM have been implemented as below: <ul style="list-style-type: none"> - HACT assessment for implementing partner received fund from UNDP conducted from 4-10 November 2015. - Annual external audit of ACES project conducted by BDP Co, LTD from 19-20 February 2015 and management response to audit's findings completed. - NLC internal auditors received theoretical and practical training (10-11 Nov 2015 in class) and (Field visit at 6 PAs, Nov-Dec 2015). - Quarterly and annual progress and financial reports regularly developed and submitted to UNDP CO. - 5 year strategic plan is pending due to workload in 2015 to restructure secretariat, insufficient resources to prepare for the project extension. - 3rd and 4th ACES project board meeting organized on July 7, 2015 and November 20, 2015 at NCDDDS to steer project's direction and to expand ACES project for two additional years. - Technical working group met in Siem Reap to discuss the process in preparing project extension proposal attended by UNDP, ACES advisors, joint secretariat staffs and NCDDDS representative on 3-4 August 2015. - The signing ceremony of Memorandum of Understanding (MoU) between NLC and six Provincial Associations (PAs) launched in Phnom Penh on July 30, 2015. - NACPC-NLC presidency meeting organized on May 26, 2015 at Phnom Penh to discuss and approve the POMM key principle, to appoint joint secretary general and to determine 6 positions of joint secretariat core staffs. - NACPC-NLC presidents met under mediation of NCDDDS/MOI to agree on joint secretariat (6 January and 2 March 2015). - NACPC-NLC Executive Committees met and approved joint secretariat and 6

			<p>positions of joint secretariat core staffs (March 5, 2015).</p> <ul style="list-style-type: none"> - EU ROM mission to review the ACES project achievements from September 30-October 7, 2015. - Development of 2 year non-cost extension proposal of ACES project (2016-2017), during August-November 2015.
<p>Number of training courses designed and delivered to councils by Local Government Associations.</p> <p>(Deliverables 3, 4, 5 and 6)</p>	<p>2. No training courses have been delivered.</p>	<ul style="list-style-type: none"> - South-South cooperation through study tour/s aimed at enhancing the institutional capacity of the Associations of Sub-national Administration Councils are organized/facilitated. 	<ul style="list-style-type: none"> - 10 Cambodian LGA delegates participated in UCLG-ASPAC executive and council meeting from 5-7 September 2015 at Wakatobi, Indonesia. <p>Other training and capacity building activities have been implemented in 2015 as below:</p> <ul style="list-style-type: none"> - The training course on project management, leadership and management operational manual (MOM) conducted to 6 PA leaders, secretaries, assistants, NACPC-NLC leaders, staffs of secretariat at Preah Sihanouk Province from March 10-13, 2015. - The orientation to Provincial Back-stoppers organized on 28-29 September 2015 at the Joint Secretariat's Office. - Two training courses on project management and leadership conducted for capital and khan councilors in May and ToT training for NACPC leaders, cluster leaders and mentors in June. - Training courses on project management and leadership conducted by leaders, deputies and mentors of 5 clusters to members/councilors nationwide, totally 26 courses, 500 trainees (June-August). - Orientation course provided to 6 PA leaders and secretaries right after MoU-signing ceremony on June 30. - NACPC organized workshop to reflect satisfaction of members received training services by NACPC clusters at Sihanouk Province, October 30. - NLC internal auditors trained on auditing theories (November 10-11) and practiced to 8 PAs in Nov-Dec 2015. - Distance coaching, advising and trainings to PA leaders, secretaries and assistants were regularly provided through phone, e-mail and tested Facebook - Initiatives on small proposal/fund mobilization advised by project advisors and secretariat staffs regularly. - ACES advisory team presented technical paper regarding relevant lessons on decentralization and LGAs in developing countries at D&D workshop (October 17, 2015 at Siem Reap Province). - 23 Training courses and workshop delivered by 6 target PA. - A meeting to discuss on a proposed membership between NLC and government (NCDDS and MoEF) organized in October 2015. They agreed

			with 2.5% of C/S admin fund and 3.5% of DMK admin fund. The proposal is waiting official decision from ministries.
Number of inputs/proposals into NCDD sub-committee debates (Deliverable 7)	3 inputs / proposals into NCDD sub-committee debates have been addressed	- Grant provided to 6 PALC.	Grants provided to PALC are used to organize activities aimed at strengthening the advocacy work of the PALC and the ASAC. <ul style="list-style-type: none"> - Grants to PAs with amounting \$12,000 (first installment) were handed over to each province implementing activities on July 30. - The second instalment of PA grant transferred to all 6 PAs in mid of November with amount of USD8,000.00. - 53 district/municipal forums organized in 6 target provinces - 6 Provincial forums in 6 target provinces - In collaboration with senate, the region forum organized at Kampong Thom Province on December 1, 2015. <p>Furthermore, in aligning with activity 3 of deliverable 7, communication materials produced to promote visibility of associations i.e. bulletins published and website updated:</p> <ul style="list-style-type: none"> - 12,000 copies of NLC quarterly ASAC bulletins produced and disseminated to PAs and stakeholders. - The Secretariat's website was contracted with the company to update the exiting website for the two associations (NLC and NACPC).
Number of services designed and delivered to councils. Deliverable 9-13	1 service has been designed and delivered to councils.	- Code of Conduct for all sub-national administration councils/councilors disseminated	- The Code of Conduct for local (DMK-CS) councilors completed in quarter 2, 2015. It was approved by NLC executive committee in March, published in early June and official launch on June 11, 16,000 copies of CoC printed and distributed to local councilors national wide. Other activities related to service delivery to councilors have been implemented in 2015 as below: <ul style="list-style-type: none"> - Linked with Del. 7 (PA grant), 36 advisory provisions conducted by PA to strengthen C/S role. - Workshop on core value for female councilors organized on June 30 at Kampot province. - On behalf of joint secretariat, ACES advisory team met and discussed with I-SAF team, NCDSDS for future collaboration on social accountability (October 30, 2015).
Overall structure of joint secretariat of Associations of Sub-national Administration Councils developed (Deliverable 2)	Insufficient systems and procedures for operation of Local Government Associations	- The Joint Secretariat has been able to take on increased roles and responsibilities in providing services to both Associations	- January 6 and March 2, 2015: NACPC-NLC president meetings on joint secretariat. <ul style="list-style-type: none"> - The joint secretariat of two associations approved and established by both executive committees of two associations in March 2015. - SG officially appointed and DSG competitively recruited by both

			associations in 2015. Other 4 positions will be recruit in early 2016. - Six Provincial Back-stoppers recruited and placed to support 6PA grant. - 4 th Project Board mrmmbbers agree to support 6 core staffs of joint secretariat according to following timeframe i) 2016: Salaries of the core staff, joint secretariat are fully paid by ACES project and ii) 2017: 30% of the 6 core-staff salaries are paid by membership fees - Financial support (stationary, staff salaries etc.) and technical assistance (advisory provision of ACES advisory team) provided to joint secretariat and PAs.
- delivery exceeds plan	- delivery in line with plan		- delivery below plan

2.2. PROGRESS TOWARD COUNTRY PROGRAMME (CPAP) OUTPUT:

Outcome 4: By 2015, sub-national Administrations have capacity to take over increased functions.			
Outcome Indicators	Baseline (Aug 2012)	Target (2015)	Current status
1. Number of key functions developed for Sub-national administrations by line ministries.	1. 0	1. Well-defined CS functions	- CS package function submitted to NCCDS (2013) - Advocacy manager as a core staff of joint secretariat will develop advocacy plan and material for ASAC to play an increasingly important role in advocating for the transfer of functions from national to sub-national administration. - NACPC advocacy and communication strategy drafted and discussed. Institutional needs assessment will provide strategic inputs for advocacy and communication strategy of the Associations.
2. Citizen satisfaction on Sub-national Administration services.	2. 56 LG-citizen forums	2. 200 LG-citizen forums	- Up to December 2015, 1 regional forum, 6 provincial forums and 53 district forums organized by PAs trough ACES-project grant.

The main functions of local government associations are capacity development and advocacy. However, from year 2012-2015, the project has focused on enabling deliverables such as establishment and expansion of sub-national administration councils plus forming of joint secretariat, ASAC (2015). Therefore, from year 2016-2017, ACES will continue strengthening the ASAC by updating institutional and capacity development plans, but will also focus on services delivery, considering that when councils are strong, they will effectively steer the sub-national administrations and provide better services to people and promote local development. On the other hand, a strong joint secretariat, including a professional advocacy officer, will be instrumental to effectively and successfully advocate for increase transfer of functions, duties and resources (finance and personnel) from national/central government to sub-national administrations.

3. Capacity Development:

In year 2015, ACES project has been increasingly focused on service delivery, especially the capacity development to both associations through training, workshops, meetings, exposure visit and coaching. Training courses and workshops on the roles and responsibilities of the councillors have been conducted. ACES project and Joint Secretariat staff provided technical support to the leaders of the Provincial Associations of Local Councils at 6 target provinces, the secretaries and the provincial

back-stoppers on subjects such as technical advice for the organization of the councillors' forum, counselling services and capacity development.

Grant provided to PAs is a value added to capacity development for associations/organizations, leaders and staffs, because members of PAs have the opportunity to learn effectively and in a practical way on diverse professional skills and tools such as planning, financial management, project management, especially with regard to grant management. Therefore, PAs are expanding their capacities to deliver key services to members, including counselling/advisory service, and workshops to share viewpoints and discuss councils' effective roles, performance and accountability to its constituencies (citizen).

Furthermore, as a consequence of the expansion and new institutional structure of the Associations of Sub-national Administration Councils, a new capacity development and training plan is needed to address strategically, systematically and from a broader perspective the demands and requirements from all sub-national councils and councillors. This capacity development plan will be based on a thorough institutional capacity assessment, it should be comprehensive and bring about specific capacity-building tools in line with international standards, so that Joint Secretariat and PA secretariats will be able to effectively and gradually enhance their capacities and train councillors.

In the context of ACES project extension, social accountability promotion is included as priority area. Thus, the joint secretariat will collaborate with NCDDs facilitating the capacity development of SNA staffs and members on how to promote social accountability and work effectively with citizens, CBOs and NGOs. Therefore, training of trainers and cascade training will be implemented by NCDDs, joint secretariat and PAs in 2016. Additionally, the joint secretariat will reinforce capacity development activities on gender equity.

4. Gender:

The ACES project has emphasized the need to enhance women's participation in the Associations of Sub-national Administration Councils, the Provincial Associations and the Sub-national Administration Councils. Thus, the project has supported the strengthening of the Commune Committees for Women and Children Affairs and the Provincial and District Women and Children Consultative Committee. However, these platforms do not guarantee strong women involvement in local politics. To exploit their political options in full, women candidates and councilors need tailor-made training, coaching and mutual learning experiences and safe places to express their views. The Standing Committee for Women and Children's Affairs of the ASAC, which is mandated to set policies to promote gender equity in sub-national politics, needs to be reactivated. The findings of EU-ROM mission have indicated that gender dimension of ACES project needs to be strengthened to ensure an inclusive approach to political participation and equitable social impact

Hence, a highly qualified gender specialist will be recruited as member of the UNDP advisory staff to assist the Joint Secretariat in undertaking gender analysis and mainstreaming, and promoting gender-sensitive policies and women's political participation in close cooperation with NCDD. He/she will be responsible for developing an advocacy plan to support women leadership in the Associations of Sub-national Administration Councils and the Provincial Associations aiming to ensure women's participation in idea generation and decision-making. Moreover, in light of the conclusions drawn from an institutional assessment of the ASAC, the future strategic plans will set ambitious targets for women's participation in all its standing committees and governing bodies. The joint secretariat will Develop and initiate an advocacy plan to support women leadership in the associations of Sub-national Administration Councils and the provincial associations aiming to ensure women's participation in idea generation and decision making, including national workshops, awareness-raising activities etc.

5. Lessons learnt:

NACPC was newly established in March 2013, but it has provided significant training services to members by using 5 cluster's leaders. Capital and provincial councillors (country wide-393 councillors) received two courses (first one was on LGA concept and facilitation skill and second one was on project management and leadership). These courses have been defrayed with its own membership fees along with technical assistance provided by ACES advisors and secretariat staff. However, capacity development for NACPC on advocacy and other subjects is strongly required, particularly for their representatives participating in NCDD sub-committees. Likewise, NLC also needs further capacity-building activities according to preliminary findings drawn from forums organization and grants management. An institutional needs assessment is necessary to review the strategic objectives of the Associations and update their capacity building programs accordingly. Moreover, the ACES project needs to facilitate further south-south cooperation so that the ASAC can benefit from relevant international experiences on local government associations and local public administration, particularly with regard to advocacy, financial sustainability, capacity building and other services to members.

A key lessons learnt is related to the role played by professional staff managing the Associations. According to international experience, core services of LGAs must be delivered by professional staff working at the Secretariat. Therefore, the core staff of the Joint Secretariat needs to be recruited as soon as possible by joint recruitment committee through merit-based selection process. Afterwards ACES project team and international consultants will provide them capacity-building, so that they can train sub-national councillors and deliver effective advocacy services.

A good international example of efficient management is the UCLG-ASPAC. This international local government organization has only 5 staffs, but due to its high standard of administration and finance policy (ISO-9002) it is building trust among members and generating more support from different donors. Indeed, international experience from countries such as the Philippines and Indonesia shows that there is a strong correlation between the professional capacities of the local associations to effectively deliver public services and its long term financial sustainability.

The assessment and re-definition of the ASAC's strategic objectives and vision will provide insight on how to better achieve financial sustainability while preserving institutional independence. Over the next two years the ACES project will strengthen key areas of the joint secretariat so that upon project completion the ASAC will be well-positioned to put forward a sound partnership strategy based on diversification of funding sources, including paid services to members, co-sharing of operational costs in projects funded by international development partners, government support, collaboration with private sector and civil society organizations, etc.

The transfer of management and decision-making responsibilities from political representative (NLC president) to professional staff (secretary general) is suitable for Cambodia's current political and organizational context. The appointment of secretary general of joint secretariat as project director is allowing the secretariat to serve both associations effectively and equally. It is anticipated that the new project director officially endorsed by 4th Project Board meeting will boost activities and outputs of ACES project during last two years (2016-2017). Likewise, the open, competitive and transparent recruitment of core staff working at joint secretariat is strongly required, because it will build trust and enhance accountability of the secretariat to serve both associations without bias.

With regard to PAs, service delivery to local councils/councillors is been being provided effectively and in a timely fashion. Even with limited time (5 months), PAs have been very proactive in delivering significant amount of outputs such as 53 district forums, 6 provincial forums, 36 advisory services and other activities. This indicates that some PAs are sufficiently equipped to perform its functions and operation with a progressively smaller support from central institution (NLC).

6. Project implementation challenges:

6.1. Project risks and actions:

The anticipated risks and issues were identified at the early stage of ACES project and MTR. The risks and issues have been significantly mitigated during project implementation and under project board guidance (met twice in 2015). The key risks have been addressed as follows:

Service delivery to association members is promoted through PA-grant, starting from July 30, 2015. With the grant, PAs have been actively implementing activities to serve their members via forums, workshops, study visit and advisory services. However PAs have very limited time to implement the grant (5 months only) causing work overload to joint secretariat staffs and ACES advisory team to achieve the expected outputs in short period of time.

A pending and challenging issue is the proposal addressed to the Ministry of Interior or Ministry of Economy and Finance to increase membership fees. Decisions on recruitment of joint secretariat core staffs are difficult for the Associations given the limited revenues raised through membership fee collection. However, this issue was raised at Project Board Meeting on July 7, 2015⁷ and 4th Project Board meeting (November 20), so NCDDDS will bring it to discuss further with the Ministry of Economy and Finance.

Meanwhile, the share cost between both Associations, particularly operational cost for joint secretariat's functioning and balanced service delivery to members of both Associations needs to follow the NACPC&NLC agreement strictly (NACPC:40 and NLC:60). The share cost on operation to joint secretariat by different donors is an important issue to discuss with/among different donors avoiding overlap and seeking equity. A pilot project/activity charge by joint secretariat is a good initiative for organizational sustainability.

6.2. Key project issues and actions:

NACPC and NLC agreed to recruit remaining core staff positions through recruitment committee in transparent and fair competitive process in allowing participation from NCDDDS and UNDP/ACES project. In order to gradually afford the salaries of the core staff and achieve financial sustainability, ACES project team has developed a proposal combining advocacy work to increase the membership fees of local councils and gradual increase of the Associations' share of the core staff salaries. The transparent and competitive process of core staff recruitment will build trust, equity and momentum of the joint secretariat for both Associations, and will provide the secretariat with highly qualified personnel to achieve its targets in terms of advocacy, capacity building, etc.

Due to limited financial resources, only 12 PAs out of 25 will receive funds from ACES project in year 2016 and 2017. It means other 13 PAs will not have the chance to strengthen their institutions with through ACES contribution. Additionally, the fund allocated to 12 PAs will be reduced 55% as compared with original estimates (USD20, 000.00 in 2015 and only USD9, 000.00 in 2016-2017). As a consequence, PAs might not be able to reach annual objective in terms of advocacy purpose and capacity building. In addition, the budget reduction will affect the level of service delivery provided by PAs to members (sub-national administration councils/councillors), particularly with regard to effectiveness of advocacy and capacity development as core LGA functions.

Best practice award was highlighted by NLC and 4th project board as a significant activity for the Associations. However, with limitation of resources, the secretariat may not scale up best practice award program during the 2-year extension.

Key strategic papers are important to steer the performance of secretariat and associations, therefore the development of 3rd NLC strategy, advocacy and communication strategy and capacity development plan and training program are urgently needed.

Further details on risks and issues are listed in attachments (risk-issue log matrix tables).

7. Donor Visibility:

Under current EU/UNDP financial support, all ACES activities have been posting EU and UNDP logo on backdrop and acknowledgement made. Representatives of EU and UNDP CO invited as honor guests and participants in main activities.

EU and UNDP CO representatives were invited as honor guests and delivered remarks at the official launch of Code of Conduct (June 11, 2015) and MoU signing ceremony between NLC and 6 PAs (July 30, 2015).

The EU ROM mission and field visit of EU officer have provided an opportunity for donors to verify the effectiveness of ACES intervention and also to have direct talks with project participants and beneficiaries.

IV. Financial Status and Utilization:

Donor's Name	Contribution Committed	Received	Balance
UNDP_TRAC2	1,367,047.91	1,367,047.91	-
EU	2,058,823.54	1,083,902.11	974,921.43
TOTAL	3,425,871.45	2,450,950.02	974,921.43

Output	Budget Plan (Q4)	Expenditures (Q4)	Balance	Delivery (%)
DELIVERABLE02: The League and its Provincial Associations have revised, improved and put into practice solid internal systems and procedures	53,055.00	45,180.81	7,874.19	85%
DELIVERABLE04: The support staff of the League and the 24 Provincial Associations has the technical skills to comply with the internal systems and procedures	6,372.80	2,796.20	3,576.60	44%
DELIVERABLE06: The capacities of Local Councils have been developed by mutual learning, stimulating the communication and exchange of information among Cambodian Councillors, and between Cambodian Councillors and other Councillors from the developing world	17,362.50	7,878.28	9,484.22	45%
DELIVERABLE07: The interests of Local Councils and citizens have been promoted employing constructive methods for advocacy of clearly defined needs and demands	148,775.00	149,831.98	(1,056.98)	101%
TOTAL	225,565.30	205,687.27	19,878.03	91%

Table 3: Annual Expenditure by Project Output or Activity [1/01/2015 – 31/12/2015]

Output	Budget Plan 2015	Cumulative Expenditure 2015	Balance	Delivery (%)
DELIVERABLE02: The League and its Provincial Associations have revised, improved and put into practice solid internal systems and procedures	137,835.90	124,837.81	12,998.09	91%
DELIVERABLE03: The members of the governing bodies of the League and its 24 Provincial Associations have the analytical capacities to proactively develop policies, to communicate their opinions, and to supervise the activities of their respective secretariats	7,384.22	7,384.22	0.00	100%
DELIVERABLE04: The support staff of the League and the 24 Provincial Associations has the technical skills to comply with the internal systems and procedures	6,843.90	4,741.35	2,102.55	69%
DELIVERABLE06: The capacities of Local Councils have been developed by mutual learning, stimulating the communication and exchange of information among Cambodian Councillors, and between Cambodian Councillors and other Councillors from the developing world	32,773.35	18,003.79	14,769.56	55%
DELIVERABLE07: The interests of Local Councils and citizens have been promoted employing constructive methods for advocacy of clearly defined needs and demands	402,311.34	381,396.04	20,915.30	95%
DELIVERABLE10: The members of the League have endorsed and implemented standards for public ethics in local government	9,754.68	9,754.68	0.00	100%
DELIVERABLE13: Women participation in the League, the Provincial Associations and Local Councils has been enhanced	3,096.60	3,096.60	0.00	100%
TOTAL	600,000.00	549,214.49	50,785.51	92%

Output	Total Budget	Cumulative Expenditure	Balance	Delivery (%)
DELIVERABLE01: The consultation processes required for the expansion of the League's membership with District, Municipal and Khan Councils have been designed, endorsed by the RGC, and implemented	267,359.57	267,359.57	0.00	100%
DELIVERABLE02: The League and its Provincial Associations have revised, improved and put into practice solid internal systems and procedures	1,002,303.52	511,393.01	490,910.51	51%
DELIVERABLE03: The members of the governing bodies of the League and its 24 Provincial Associations have the analytical capacities to proactively develop policies, to communicate their opinions, and to supervise the activities of their respective secretariats	77,776.99	27,096.81	50,680.18	35%
DELIVERABLE04: The support staff of the League and the 24 Provincial Associations has the technical skills to comply with the internal systems and procedures	93,864.03	25,100.48	68,763.55	27%
DELIVERABLE05: The League's financial sustainability strategy is implemented including the revision of membership fees, the spread of donor dependency, and research on service charges	40,827.80	167.80	40,660.00	0%
DELIVERABLE06: The capacities of Local Councils have been developed by mutual learning, stimulating the communication and exchange of information among Cambodian Councillors, and between Cambodian Councillors and other Councillors from the developing world	68,660.95	18,581.39	50,079.56	27%
DELIVERABLE07: The interests of Local Councils and citizens have been promoted employing constructive methods for advocacy of clearly defined needs and demands	1,673,616.30	584,836.53	1,088,779.77	35%
DELIVERABLE08: Local Councils have improved access to information from Government and non-government sources	9,801.20	0.00	9,801.20	0%
DELIVERABLE09: Local Council civic engagement policies and processes have been enhanced by transparent governance mechanisms and proactive communication	3,873.40	0.00	3,873.40	0%
DELIVERABLE10: The members of the League have endorsed and implemented standards for public ethics in local government	10,653.02	10,653.02	0.00	100%
DELIVERABLE11: The League and its Provincial Associations have reinforced their partnerships with RGC, civil society and donor agencies in order to promote Local Council and citizen interests	73,035.97	15,084.77	57,951.20	21%
DELIVERABLE12: The Local Councils are operating efficiently, effectively and transparently utilizing the League's operational and advisory support services with a specific eye on the accomplishment of the CMDGs	40,659.30	23,325.30	17,334.00	57%
DELIVERABLE13: Women participation in the League, the Provincial Associations and Local Councils has been enhanced	63,439.40	15,448.20	47,991.20	24%
TOTAL	3,425,871.45	1,499,046.88	1,926,824.57	44%