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Cambodia



THE EC-UNDP PROJECT

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

2006 ANNUAL PROGRESS REPORT

Prepared by the Department of Local Administration, Ministry of Interior
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Abbreviations:

ANO	Advocacy and Networking Officer
C/S Councils	Commune/Sangkat Councils
CIP	Commune Investment Plan
CSO	Civil Society Organization
DFT	District Facilitation Team
DOLA	Department of Local Administration, Ministry of Interior
DSP	Decentralized Support Project
EC-UNDP	European Commission-United Nations Development Programme
ExCom	PRDC Executive Committee
FO	Finance Officer
ICC	Inter-Communal Cooperation
ICJU	Inter-Communal Joint Undertakings
JD	Job Description
KCH	Kampong Chhnang Province
KDL	Kandal Province
KPC	Kampong Cham Province
LAAR	Local Administration Reform Programme, PACT/Cambodia
MOI	Ministry of Interior
MOU	Memorandum of Understanding
NGO	Non-governmental Organization
NLC/S	National League of Commune/Sangkat Councils
NTF	National Task Force
NTWG	National Technical Working Group of DOLA/MOI
OM	Operation Manager
PAC/S	Provincial Association of Commune/Sangkat Councils
PFT	Provincial Facilitation Team
PIM	Project Implementation Manual
PLAU	Provincial Local Administration Unit
PLG	Partnership for Local Governance Project of the UNDP
PM	Programme Manager
PNP	Phnom Penh Municipality
PVG	Prey Veng Province
RGC	Royal Government of Cambodia
SHV	Shaknoug Ville
TAK	Takeo Province
UNDP	United Nations Development Programme

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**Ministry of Interior
Department of Local Administration**

**2006 Annual Narrative Project Progress Report
EC-UNDP Project – DDLG, ID 00049185**

Reporting period January to December 2006
Project title Strengthening democratic and decentralized local governance in
Cambodia: Building local capacity through networking and local-local
cooperation

1. Overall Coordination and Management (The Organizational Chart is attached)

The Secretary of State of the Ministry of Interior has taken the overall oversight roles of the project. He has been consulted quite intensively before and at the start of the project to work out the appointments of approving, certifying and accounting officers, and project teams. He has also set up a project bank account and delegated the day-to-day management activities to a Deputy Director General/Director of DoLA as the Project Manager. Since then, the management & implementation of the project has almost been completely taken care of by the Project Manager and his teams.

PSC mid year implementation review meeting was conducted on 22 August under chairmanship of HE Prum Sokha Secretary of State of the Ministry of Interior with participation of concerned ministries, representatives from UNDP and EU and DOLA officials. MOI and EC/UNDP donors recognized all achievements made during January to June (and up to mid August) and agreed key issues and challenges to overcome during the rest of year (refer to attached minutes of the meeting). The 4 main challenges were 1) PSC and its accountability role, 2) expansion of ICC initiative into 5 new provinces: Svay Rieng, Prey Veng, Rattanakiri, Koh Kong and Kampong Chhnang, 3) national congress of NLC/S and PAC/S establishment process in new provinces and 4) integration of planning process and implementation procedures among 3 initiatives – (PLG/Seila) district piloting programme, Danida-DFID CCB-NREM and the Project's ICC.

The creation of voice and accountability component started with some preparatory work and will commence in earnest in 2007 now that associations have been established. Continued efforts will be made to promote partnership arrangements with initiatives from other donors and with other concerned NGOs and CBOs.

The main achievement in the association component was the establishment of 11 provincial associations (together with MOI, GTZ and KAF) and the first national Congress involving the 11 provincial associations held in Phnom Penh from 15th – 17th August 2006 and attended by Samdech Hun Sen, PM and H. E Sar Kheng, DPM. The National League of Commune/Sangkat, (NLC/S) was established during the congress and their functions determined and plan of action developed. After the national Congress provincial congresses were held in Kampong Chhnang and Koh Kong, having 13 PAC/S members by the end of the year. To close the year the NLC/S held its first ExCom meeting where the NLC/S strategic plan (2007-2009), the annual plan 2007, membership fee and organisational structure were discussed and approved.

In the Inter commune project component 16 projects (14 infrastructure and 2 non-infrastructure projects) in the 5 targeted provinces and municipalities were completed to 66%. In detail, 7 projects were completed to 100%, 5 projects completed between 40-90% and 4 projects were starting. For further information on each project please find in the attached spreadsheet of the project monitoring system.

With support from PLG and EC-UNDP advisors, NTWG for DI/NREM and ICC engaged in a series of discussions to integrate the planning exercises/steps into one system. However, due to time constraint a common planning process could not be established for the 2007 implementation. Consequently, further efforts are needed in 2007 to arrive at a common planning guideline that will enable district authorities and C/S councils in all provinces and municipalities to follow and apply one inter-commune approach.

A proposal for area coverage and budget allocation for 2007 was prepared and endorsed by the PSC chief. This proposal includes some changes to the existing MOU and guidelines, where each province/municipality is informed 1) on the number of target district/khan and 2) on the amount per district/khan (IPF USD 30,000 plus 10% for operational cost). Therefore the provinces and municipalities have to select their target districts and khans based on the given criteria and guideline for the 2007 project cycle.

2. Progress overview against project expected results and planned activities

Actual achievements against planned project outputs/results and activities:

Expected results/planned activities	Actual Activities/Progress
Expected result 1: clearly defined and operational mechanism and increased capacity put in place for good communication, accountability, dialogue, and partnership between commune councils and all other stakeholders to address issues of local governance	
A. Creation of voice and accountability mechanism	
Activity 1: Development of better mechanisms for multi-stakeholder dialogues through District and Provincial Forums among CCs & sub-national authorities, CSOs/NGOs, citizens & other stakeholder	<ul style="list-style-type: none"> It was recognised early in 2006 that the District and Provincial Forums are best organised and managed by the Provincial Associations of Commune/Sangkat Councils (PAC/S) (component two) and therefore these should be established before this activity can be effectively implemented. Emphasis was placed on preparatory activities instead. An assessment of experiences was carried out of other organisation forums at District and Provincial levels supported by other donors and NGOs to learn lessons and seek out opportunities to align with other activities to avoid duplication in the design an approach for 2007. Now that the PAC/S were established in 2006 this activity can commence in 2007.
Activity2: Development, piloting & implementation of a recognition / promotion system for good local governance practices & innovations for CCs and other stakeholders	<ul style="list-style-type: none"> One of the activities planed by the National League of Commune/Sangkat (NLC/S) (component two) is to develop a best practice identification system and organise exchange meetings and exposure visits to the identified innovations. The NLC/S will commence with the activity in 2007. The integration and synergy between these two components will be encouraged in 2007.
Activity3. Local-to-local exchange program for CCs, local authorities, CSOs, and local citizens	<ul style="list-style-type: none"> The exchange programme will be linked to the identification of the provinces and communes with the best practices and will therefore only start in late 2007.
Activity 4 Capacity development for	<ul style="list-style-type: none"> During 2006 lessons learnt in capacity building

Expected results/planned activities	Actual Activities/Progress
effective participation in and improved management implementation of local governance activities	development from the implementation of activities at commune level through the PLG/Seila project were assessed so as to avoid any duplication of efforts and provide a basis for capacity development needs in 2007.
Expected result 2: Network of commune councils established with institutional guidelines, and long-term objective to create a NLC/S, for improved co-operation among commune councils and other actors and promotion of good conduct and practice.	
B. Establishment of Commune Council associations	
Activity 5: Establishment of a functioning network promotion and support unit (NPSU) to support the activities of the network of CCs	<ul style="list-style-type: none"> • Eleven provincial/municipal associations have been established (6 with support from other donors: GTZ and KAF) through a consultative process involving 6530 commune/Sangkat (C/S) councillors from 900 communes/Sangkat. • On the first national Congress (15 August 2006) the 11 PAC/S agreed to establish the National League of Commune/Sangkat (NLC/S). The statute and internal rule of the NLC/S was approved and the representatives for the different structures (Council, ExCom and Chairpersons) elected. • A financial strategy has been designed and the NLC/S at its ExCom meeting in December (5-7) agreed to pay membership fees for the PAC/S and NLC/S. The decision will be consulted with the provincial ExCom. The collection procedure (especially which budget line can the commune/sangkat allocate to his payment) needs to be agreed with Ministry of Interior (MOI) and Ministry of Economy and Finance (MoEF) before the membership fee payment can start. • A strategic plan (2007-2009) has been developed by the NLC/S and agreed at the ExCom meeting in December. The priorities for 2007 have been identified and the annual work plan is being finalised. The EC-UNDP work plan for component two in 2007 is considering the NLC/S strategic plan and has therefore reformulated its activities to be in line with the associations plan. • The NLC/S has been building a network and partnerships with government institutions, NGOs, International organizations and other civil society organizations (meeting, communication and information sharing). The NLC/S leaders have also been invited by public media such as TV, Radio and newspapers to present the NLC/S's roles and functions.
Activity6: Establish Network of Commune Councils (NCCs) at the Provincial/Municipal levels(PAC/S) in support of the establishment of at National Association of Commune Councils (NACC/NLC/S) in Cambodia	<ul style="list-style-type: none"> • Provincial consultations were organised in 11 provinces (5 by EC-UNDP) to validate the strategy for the establishment of commune council associations. • Provincial associations (PAC/S) were established in the 5 pilot provinces (Phnom Penh, Kandal, Sihanoukville, Takeo and Kampong Cham). • With regard to the new 5 provinces targeted in 2007 the consultation process has been finalised in Kampong Chhnang and Koh Kong (13 December) with the

Expected results/planned activities	Actual Activities/Progress
	<p>approval of the PAC/S statute and internal rule. It has started in Prey Veng and will commence in Ratanak Kiri in 2 weeks. The process in Svay Rieng is envisaged for early 2007.</p> <ul style="list-style-type: none"> • The statute and internal rule of the NLC/S was approved at the first national congress in August 2006. • The NLC/S and all 11 PAC/S have been registered with the Ministry of Interior.
<p>Activity 7: Develop the capacity of members of NCC and NPSU for policy dialogue and advocacy, promotion of inter-commune cooperation, exchange of information, management of NCC affairs, etc</p>	<ul style="list-style-type: none"> • The NLC/S and PAC/S secretariats have not been established yet. The associations plan to establish the secretariats once they have secured the funding through the collection of membership fees. • The capacities of the NLC/S ExCom members are being assessed and some training requirements have been identified (how to design meetings, advocacy and conflict solution skills, facilitation skills, how to manage the association – including financial management). • Some preliminary ideas for capacity development have been included in the NLC/S strategic plan (2007-2009). • PAC/S and NLC/S leaders received on-going training on basic budget proposal and financial management (record expenditure, financial reports and budget proposal). On the job training is being provided to the NLC/S chairpersons. • With support of VNG International, Netherlands, National Task Force(NTF) leaders went to an exposure visit to Indonesia in order to learn experiences about the process of establishment of an association and management and networking of local governance association (May 28 to June 3) and shared the experiences with national executive members of the NLC/S An international study was organised to Indonesia.
<p>Activity 8: Organize and facilitate the conduct of Provincial & Annual National Congress of CCs</p>	<ul style="list-style-type: none"> • Eleven Provincial Congresses (5 by EC-UNDP) were organised before the national Congress to discuss the PAC/S statute, the internal rule and to elect the provincial members of the provincial Council, ExCom and chairpersons of the respective PAC/S. On 15 August the national Congress, attended the primary and Deputy Prime Minister, was held to approve the establishment of the NLC/S. After August two more provincial congress were conducted: Kampong Chhnang (29-30 November) and Koh Kong (13-14 December).
<p>Expected result 3: Local area development needs addressed through implementation of pro-poor inter-commune cooperation (ICC) projects as a mean of developing good management capacity, process and practices.</p>	
<p>C. Inter-commune cooperation (ICC) for pro-poor projects</p>	
<p>Activity 9: Develop and undertake adaptation of systems and procedures for identifying,</p>	<ul style="list-style-type: none"> • Inter-commune planning and project implementation guideline was developed and approved based on lessons learned and experiences emerging from ICJU/DSP and

Expected results/planned activities	Actual Activities/Progress
<p>formulating, implementing, monitoring and evaluating pro-poor inter-commune projects and joint undertakings</p>	<p>national guidelines on commune planning (CIP) and project implementation (PIM).</p> <ul style="list-style-type: none"> • A 2-day consultation meeting with participation of 5 provinces and key stakeholders was conducted to provide orientation on and discuss new initiatives and work plan for launching program in the 5 provinces and municipalities. • ICC planning and implementation procedure was revised and improved after first cycle implementation in 2006. • ICC project operation guideline was drafted and submitted to MOI management for review and approval. The approval is expected to be done in January 2007 in time for 2007 project implementation. • Appointed NTWG and key officials for project financial control and management.
<p>Activity 10: Conduct capacity development activities for support to and implementation of pro-poor inter-commune projects</p>	<ul style="list-style-type: none"> • 3-day training workshop on ICC planning and project implementation conducted for key focal persons of PLG and ExCom of 5 provinces (25-27 April 2006). • 2-day orientation workshop on revised ICC planning and implementation procedure conducted for focal persons of PLG and ExCom of 10 targeted provinces (5-6 December 2006). • NTWG conducts regular field coaching and provide backstopping to provinces on the implementation of 5-step planning process. • Monitoring and follow up on project activities conducted on regular basis with feedbacks to provinces and C/S councils (PMC).
<p>Activity 11: Identify, fund and implement pro-poor inter-commune development cooperation projects</p>	<ul style="list-style-type: none"> • 5 MOU were signed between MOI and 5 target provinces for providing fund at USD 90,000 per province in 2006, which 5% out of this amount is for share of operation cost. • The existing financial and accounting procedure (Seila Financial Procedure) was applied with ICC fund. • At provincial level, after having conducted orientation on ICC project planning and implementation guideline, the 5 targeted provinces/municipalities have applied the procedure. • Total of 16 ICC funding projects (14 infra-structure and 2 service projects) were selected and implemented in 2006. In general, the projects have only completed 66% due to the late starting date and rainy season disruption. • 100% of committed budget (\$450,000) for ICC projects was released to the targeted provinces and municipalities for financing the ICC projects. • Project sign-board design was agreed and the sign-boards were developed for all EC-UNDP funded projects in the 16 targeted provinces and municipalities.
<p>Activity 12: Conduct analytical studies and policy analysis to</p>	<ul style="list-style-type: none"> • Conducted a joint 2-day workshop with Seila/PLG to review both guidelines for district initiative piloting

Expected results/planned activities	Actual Activities/Progress
identify issues, develop policies and options to further advance decentralization reform implementation and improve coordination between the RGC, local authorities, donors, CSOs, CCs and other stakeholders.	<p>program and ICC. This led to develop a common guideline with the same approach for nation wide implementation in 2007.</p> <ul style="list-style-type: none"> • TWG conducted regular field monitoring so as to provide timely support and collect information for input to guideline improvement.
Output 4: project administration and management	
D. Project administration and management	
Activity 13: Inception and mobilization activities	<ul style="list-style-type: none"> • 10 project staff (1 Int Advisor) recruited under UNDP rules/procedures with clear defined TORs (<i>see list of project and counterpart staff</i>). • NTWG of 5 DOLA & 1 MOP officials appointed to be responsible for ICC component. • Another NTWG/DOLA was also appointed to support the NTF (now NLC/S) in establishment process of PAC/S and NLC/S. • 2 offices for project staff settled in MOI and well equipped with necessary equipments/furniture. • Office equipments and furniture procured through UNDP and distributed among NLC/S, DOLA/MOI and DDLG project staff (see annex 3). • DSP inventory (annex 1 & 2) plus 5 copiers and 2 vehicles was transferred to be under the custody of DDLG.
Activity 14: Project implementation management	<ul style="list-style-type: none"> • Over the year, procedures and systems related to financial and administration management, reporting and work planning and budgeting were defined and operated. It is expected that operational manual will be developed in first quarter of 2007. • Substantive oversights of the project through project staff to ensure effective and efficient use of resources and delivery of outcomes as per EC/UNDP and MOI policies. • Periodic project progress reports including 1st semester, 3rd quarter and 2006 annual report were prepared and submitted to PSC and EC/UNDP. • 2 PSC meetings conducted in 2006: first meeting in 22 August to review mid year implementation and decided on program expansion and 2nd meeting on 20 November to appraise and approve 2007 DDLG AWPB. • Coordinated with EC, UNDP, donors programs ¹and key ministries to make sure that 2007 DDLG AWPB is well designed and aligned to 2007 NCDD • 3 new provinces namely Kampong Cham, Takeo and Phnom Penh; where availability of PAC/S were selected as ICC targeted areas for 2006 in addition to existing DSP target provinces (Kandal and Sihanouk Ville). • 5 additional new provinces namely Koh Kong, Prey Veng, Svay Rieng, Kampong Chhnang and Ratanakiri

¹ Relevant Projects supporting D&D framework such as PLG, GTZ, PACT, KAF

Expected results/planned activities	Actual Activities/Progress
	were selected for 2007 ICC projects. Total of 44 districts/Khans within 10 provinces/municipalities were selected for ICC project in 2007. Guideline and criteria for targeted district/Khan selection were developed and informed all target provinces.
Activity 15: EU-UNDP Contract required evaluation	<ul style="list-style-type: none">• No action to date

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3. Risks, key issues and challenges
Risks

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ID	Type	Date Identified; Author	Description	Current Risk Level			Comments	Status	Status Change Date	Owner
				L	C	R				
	financial	2005	It may not be financially viable to support a network of CC w/o continuing external assistance since there is a limit on membership fee.	Likely (H)	Major (H)	High or Extreme Risk	The NLC/S ExCom agreed on a membership fee. Although the fee is limited and the process not yet clear it shows the high commitment of the CC to the PAC/S and NLC/S.	Some improvement	December 2006	Association Advisor
	organizational	2005	Weak capacity and lack of leadership of CCs members to enable them to manage and participate in NLC/S & Associations	Possible (M)	Major (H)	High (H)	Ensure the merit-recruitment process when recruiting secretariat staff and senior management after membership fees available for salary payment Organise leadership training	reducing	December 2006	Association Advisor
	political	2005	delay of commune council election beyond 2007 could result in no legitimate body at local level	Unlikely	Moderate	Low Risk (L)	Election process under way	gone	December 2006	PM & PM
		2005	Polarization of the CC network due to the nature of inter and intra-party politics in Cambodia could jeopardize local democracy	Almost certain (H)	Major (H)	H or E	Ensure multi-party stakeholder's involvement to balance powers and views among commune council association/network management	no change	December 2006	Project Coordinator
		2005	Changes in the policy & institutional arrangement, e.g. enactment of organic law for province / municipality, will affect implementation.	Likely (H)	Major (H)	H or E	Changes and implications can not be assessed yet.. The project annual work and budget plans, and implementation arrangement will remain flexible for 2007	no change	December 2006	PM & PM

Key issues and challenges

Key issues	Causes of Issues	Proposed Solutions/Actions (who, how and when)
Official letter of appointment of Project Steering Committee not issued yet.		<ul style="list-style-type: none"> To be issued
Key staff of ExCom, especially PFT, DFT and TSO have high workloads.	Huge works flow directly from Seila/PLG, MOI and other partnership projects with NGOs/IOs at the time being.	<ul style="list-style-type: none"> Draft ICC project operational procedures considers human resource support requirements.
Most government counterparts are busy with other core works and projects.	High work load, insufficient capacity and management systems	<ul style="list-style-type: none"> Clear work planning, delegation of tasks to key officers and keep track regularly on work done and issues. Regular meeting to review and follow up assigning tasks, work done and issues.
Financial system and procedures not completely finalized.	Some issues still to be finalised	<ul style="list-style-type: none"> It is clear that existing financial and administration manual of Seila/PLG and PIM are applied for implementing and managing IIC investment at provincial. Project will develop own finance operational manual to be used at national level through consideration of existing procedures and UNPD policies.
The NLC/S ExCom agreed on the payment of a membership fee. The process needs to be clarified with, MoEF and NT.	Membership payment is new to government.	<ul style="list-style-type: none"> NLC/S to write letters and advocate with national government
The EC-UNDP covers the establishment of PAC/S in 10 provinces. In 2006 GTZ and KAF supported 3 provinces each. This support is ending and there are still other provinces without support and no PAC/S established.	Not sufficient donors involved in supporting the PAC/S	<ul style="list-style-type: none"> Design a strategy of grouping provinces to support jointly Meet with different donors to see if they can support.
The NLC/S should develop into structures that represent their members interests and are independent from national government	PAC/S and NLC/S still very new and need support from national government	<ul style="list-style-type: none"> Strengthen NLC/S and support in establishing a new relationship with national government Transfer funds directly to NLC/S to be more independent
ICC planning process in 5 target provinces and	The planning process for 2006 investment should have	<ul style="list-style-type: none"> To avoid this delay again for 2007 implementation the

Key issues	Causes of Issues	Proposed Solutions/Actions (who, how and when)
municipalities started far behind CIP and caused delay in project identification/study, budget allocation and implementation.	started in 2005.	planning process should start in line with CIP process.
The internal assessment of ICC planning and implementation guidelines encountered some weakness: <ul style="list-style-type: none"> insufficient sense of ownership, accountability and sustainability PRDC/ExCom appears to have more influence on ICC project selection than the C/S who are the owners of the projects. no participation and involvement of representatives from C/S association in the ICC planning and implementation process. 	Different causes were identified in the assessment <ul style="list-style-type: none"> Both the ICC planning and the implementation process are led and done by ad hoc bodies and not by permanent institutions. The current guideline gives authority to the PRDC/ExCom for project selection (step 4 of the guideline). The roles of C/S associations are not specified in the current ICC guideline. 	<ul style="list-style-type: none"> The guideline has been revised and reoriented for all target provinces for 2007 implementation
Three similar planning processes i.e. DI, NREM and ICC take place at the same perspective level and cause several confusions for planning stakeholders.	The main purpose of DI/NREM is to strengthen the roles of district/Khan authorities while ICC is approaching PMC	The three donor projects should identify a way to merge the three planning systems into one.
Only 2 ICC projects out of 16 in 2006 were non-infrastructure	There was no guideline for non-infrastructure project formulation and implementation.	<ul style="list-style-type: none"> Guidelines for service projects is expected to be developed in 2007 through engagement of external consultants The ICC planning and implementation guideline should be revised and this matter considered.
The MOU between MOI and Province/Municipality has provided full authority to MOI in decision-making on fund release to province rather than supporting roles.	The current MOU term has set a certain pre-conditions of project progress before MOI release fund to provincial account.	<ul style="list-style-type: none"> The MOU terms should be revised and this matter should be taken into account.
Some budget from operation is unable to spend through the end of year.	PSC requested to use some budget remained from unspent salary of international staff for ICC projects	<ul style="list-style-type: none"> Amendment of EC-UNDP project might take place by the end of 2007 in order to revise planned activities and budget.

4. Experiences and lessons Learned

- Good coordination with other donors GTZ and KAF facilitated the establishment of PAC/S in further provinces.
- The NLC/S is a very new structure that will require advice and support from MOI, UNDP and other donors to be strengthened.
- The NLC/S and PAC/S need to increase their public relations to be known more and have better access to information and decisions affecting commune councils.
- The good experiences and practices in Kandal and Sihanouk Ville with regard to the local-local cooperation project planning and implementations have been documented and contributed to the formulation of the Inter-commune planning and implementation manual.
- Although the project doesn't have its own working system at the provincial level, the use of the existing structures and systems of the Seila program and PLG advisory support in 2006 constituted a best practice of unifying and harmonizing donor projects and saved operational costs.
- Provincial authority and C/S councils are interested on the ICC approach for inter-commune planning and implementation because it has enabled them to address their interrelated problems through commune and district level discussions.
- Identification and prioritization of pro-poor inter-commune projects are not so different from C/S funded projects. But there are some additional exercises to promote dialogues among C/S councils as well as help the C/S to have a broader perspective. Similar to previous point
- District authorities played some key roles in facilitating, coordinating and providing interventions to PRDC ExCom and PMC during the course of planning and implementation. In future, these roles should be developed to allow district/khan to support PMC on inter-commune issues.
- In 2006, some provinces chosen only 1 or up to 3 districts/khan for the allocation of the ICC fund. However, area coverage in 2007 for ICC should be distributed by number of districts with earmark of USD 30,000 PLUS 10 % of total investment per province for operation cost.

5. Overall Comments and Recommendations

The project faces two key challenges over the next years:

- The establishment of new structures (provincial associations and their national league) of representation to foster decentralization and local good governance
- The implementation of an investment component that besides requiring good mechanisms and systems to ensure the financial flow is also focusing in improving the cooperation between communes.

The challenges are faced within an overall momentum of change with commune council elections, the development of the D & D framework and the changes linked to the organic law which will affect the sub national government system and also national government and the structure of MOI.

Therefore, the project requires a strong leadership to achieve its objectives and spend the resources allocated on time, especially with regard to the investment component.

Regular coordination meetings with participation of MOI management and support staff, NLC/S, and EC-UNDP project staff should be conducted to assess the progress and changes and to adjust plans in a flexible way to achieve the established goals.

6. Conclusions

The 2006 activities focused on two of the three components: establishment of local government association (at provincial and national levels) and implementation of inter commune cooperation projects, including the establishment of systems for project identification and implementation. In both components, although not all personnel and systems were in place, most activities were implemented as planned. The project was able to set up a good basis for the implementation of the project over the next years while at the same time achieving some key successes: establishment of 13 Provincial Associations of Commune/Sangkats and the National League and implementation of 16 inter commune projects with the required systems and guidelines.

Prepared and submitted by	_____ H.E Leng Vy, Deputy General Director General Administration of Ministry of Interior	Date: _____
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