

**Kingdom of Cambodia**

Nation King Religion



# Seila Program

Supported by the

**UN/Donor Partnership for Local Governance  
Project (PLG)**

## **Final Report**

**Volume I:  
Design, Implementation and Management**

**December 2007**



## FOREWORD

As the Chairman of the Seila Task Force during the six years of its operations, it is my great pleasure to present the final report of the Seila Program, 2001-2006.

Beginning in 1996 as a program to design, pilot and continuously review and adjust systems for decentralized planning, financing and implementation of local development at both commune and province level, the Seila Program steadily grew in size and geographic coverage extending its support by 2001 to 500 communes and 11 provinces. Soon after the design and approval by the Council of Ministers of the Seila Programme for 2001-2006 in January 2001, the formal launch of the Programme was organized on 20-21 March 2001 in Kampong Cham province, and presided over by **Samdech Akka Moha Sena Padei Techo HUN SEN, Prime Minister of the Kingdom of Cambodia**. Almost at the same time, the Royal Government of Cambodia (RGC) adopted the Law on Management of the Commune/Sangkat and in February 2002, the Commune Elections established the first democratically elected CS Councils in all 1,621 commune/sangkats in the country. The experience generated under the Seila program over six years contributed to the consensus and confidence of the RGC to move forward with the decentralization reforms; placed the program in a unique position to mobilize technical and financial resources from development partners to support the reforms on a national scale; and most importantly provided a foundation of Cambodian experience for the decentralized regulatory framework to be designed and implemented immediately after the Commune/Sangkat elections. In order to ensure equity across the country and ensure that the reforms reached all 24 provinces and 1,621 communes, in mid-2002 Seila responded to the request of the RGC to rapidly expand its coverage. Through additional mobilization of support from development partners, from 2003 the program was being implemented nation wide.

Over the six years of the Seila program's second phase, a total of \$ 215 million was mobilized from domestic resources and contributions from development partners to support the wide ranging reforms supported by Seila. This represented a 250% increase above the original budget in the Seila program document and was a testament to the confidence that Seila generated with the RGC and its development partners. The resource mobilization and harmonized programming framework and the management structure and systems established under Seila enabled: (i) technical and financial resources to be allocated to member Ministries of the National Committee for Support to the Commune/Sangkat (NCSC) in accordance with their respective mandates for the design of policy and regulations and the piloting of specific sector initiatives in line with the D&D reforms; (ii) resources to be allocated to sub-national levels through a budgetary process aligned with the government's budget cycle against which local plans and priorities were identified through transparent and participatory processes; (iii) resources to be transferred in a predictable and transparent manner to financial institutions at sub-national level for financing of services and investments under approved annual work plans and budgets with an annual delivery rate averaging 85%; (iv) resources to be managed and accounted for under financial systems designed in accordance with international standards backed by management information systems; (v) the



reduction of transaction costs and the reduction of the often prolonged start up time for new development partner projects to commence implementation; (vi) over 70% of all resources to be allocated directly to development priorities planned and managed by sub-national authorities to address a wide range of poverty reduction activities; (vii) approximately 20% of all resources to be allocated to governance activities including the design of systems and regulations, support to management and monitoring of the reforms, administrative infrastructure and transport equipment and national capacity building efforts accompanying implementation of the reforms; and (viii) roughly 10% to be allocated to harmonized technical advisory services which supported training, monitoring and accountability activities on behalf of the government and all Seila development partners.

The Seila Task Force Secretariat, charged with the overall management of the program, coordinated the annual programming exercise which resulted in up to 5,000 individual contracts per year being designed, appraised and approved by the various levels of management and administration for activities implemented primarily by ministries, provincial line departments and private sector entities. As such, the success achieved through implementation of the Seila program resulted from a collective effort on the part of a wide variety of government institutions, several thousand civil servants at national and sub-national level, the counselors and committee members of the 1,621 CS Councils, private sector firms and civil society.

The Seila program involved itself in many dimensions of national policy and reform and begged nearly as many questions of the government regarding longer term policy and institutional arrangements as it helped to clarify. As a program with a finite duration, these questions came to the fore beginning in 2005 as work progressed on the drafting of the Organic Law. Following various external and internal studies and government consultations, Seila was extended in time for one additional year in 2006, beyond its original five-year duration, to enable more time for successor arrangements to be put in place. With the establishment of the National Committee for Management of the Decentralization and Deconcentration Reforms (NCDD) by Royal Decree in August 2006, it was finally determined to bring the program to a close and transfer systems, human resources and ongoing development partner support to the NCDD which was achieved by the beginning of 2007.

This final report has been prepared in three volumes. Volume I, the main body of the report, provides a detailed summary of achievements related to design, management and implementation of the Seila program, 2001-2006. Volume II provides data and analysis on progress achieved against key indicators within the program's logical framework. Finally, Volume III provides the results of a survey commissioned by Seila in its final year documenting the experience and views of the Seila Program by three groups responsible for much of the implementation at provincial level: (i) the PRDC Executive Committees who were responsible for execution at sub-national level, (ii) the line departments responsible for provision of provincial services and investments financed through the Executive Committees; and (iii) Private Contractors who were contracted for implementation of nearly all of the local infrastructure investments at province and commune level.

On behalf of the RGC and the Seila Task Force, I would like to express my sincere appreciation to all who contributed to implementation of the Seila Program over the years including: H.E SAR KHENG, Deputy Prime Minister, Minister of Interior and Chairman of the NCDD under whose authority the policy and regulatory aspects supported by Seila were approved; senior national officials who resolved various policy and program dimensions of the work over the years; the Seila Task Force Secretariat which managed the complex program; provincial governors and members of the PRDC and its Executive Committees who managed the bulk of the work at sub-national level; ministries and their line departments; and the private sector who implemented the majority of the services and investments financed by Seila; the 1,621 CS Councils which represented a primary focus of Seila's support at the local level; the technical advisory teams at national and sub-national level who provided continuous support to the management and integrity of the program; and last, but certainly not least, the development partners who contributed so generously to the program both in terms of financial support and as true partners in the overall endeavor. ១

*Phnom Penh, December 24 2007*



**KEAT CHHON, MP**

Sr. Minister, Minister of Economy and Finance  
Chairman, Seila Task Force



## Executive Summary

This is the final report of the Royal Government of Cambodia's Seila Program, 2001-2006.

The Seila Program was initiated under an earlier phase, 1996-2000, during which the concepts, methodologies, processes and initial systems and procedures for decentralized planning, financing and implementation of local development in Cambodia were designed, tested, evaluated and continuously adjusted and the coverage area gradually expanded reaching a total of 30% of the communes and 50% of the provinces in Cambodia by its final year in 2000.

At the outset of the initial phase of Seila in 1996, the baseline on sub-national governance was rather bleak. In establishing the role of the State following the 1993 elections, the powers and functions that had previously been devolved to sub-national authorities in the past had lapsed and all revenue had been centralized to the national level. As such, a vacuum had been created at sub-national level with regards to governance functions at the same time as large volumes of external resources were beginning to be committed by the international development partner community. In the absence of clearly defined functions, systems, procedures and transparent financial management systems, development partners had little choice but to establish project-based systems and parallel mechanisms in order for development cooperation to be delivered to the local level. At sub-national level, there were virtually little development resources available to the provincial administrations, and certainly none that were discretionary, and as such there was little need for planning and decision making. Below province level there were no resources at all and the planning that was being undertaken in the absence of resources was undermining the very integrity of planning itself. Largely because of this, there were no horizontal mechanisms at any of the sub-national levels with which to discuss territorial development priorities and coordination. Finally, there were no participatory platforms that engaged the local population in prioritization, decision making and implementation. While the national authorities were engaged in nation building and political reconciliation, in essence sub-national authorities were becoming "observers" of development programs negotiated at national level and were only occasionally consulted to provide perfunctory signatures on project reports.

It was within this context that the initial phase of Seila, had been designed with objectives of: i) establishing participatory, governance structures at province and local level with clearly defined terms of reference; ii) designing decentralized systems and procedures that were both up to international standards and relevant to the Cambodian situation; iii) through a combination of formal training and a learning by doing approach, developing capacity at the sub-national levels to manage the functions, systems and processes developed; iv) providing annual, discretionary, budgetary allocations for investment to province and commune levels in line with the government's budget cycle to ensure that planning and programming was carried out in the knowledge of predictable resources; v) and ensuring a continuous process of reflection and evaluation so that functions, processes and procedures could be revised each year based on experience, capacity and the increasing volume and complexity of annual work plans and budgets. The underlying goal was to enable sub-national authorities at both province and commune levels to assume ownership of a participatory and transparent local development process that would increasingly be both recognized and financed by both the national authorities and the development partners.

By the end of the initial phase of Seila in 2000, a high measure of success had been achieved. A horizontal management structure, mandated by sub-decree and with defined terms of reference covering decentralized management functions at province and

commune level, had been designed and continuously revised through intensive consultations with sub-national and national authorities. An annual planning and programming system at both provincial and commune level had been designed, implemented and continuously revised over five annual cycles and the district integration process initiated with increasing levels of participation from government and non-government development actors. Financial systems at both provincial and commune levels had been designed, implemented, continuously revised and strengthened, and annually audited through which increasing volumes of both national budget and external resources were being disbursed. A project cycle had been introduced through training and coaching and on an annual basis, several thousand small-scale development projects were being designed and approved by province and commune development committees and implemented by line departments and private contractors addressing both local economic and social development priorities. Through intensive consultative mechanisms and capacity building efforts during the initial period of co-management, a high level of ownership at sub-national level had developed leading to the decision in 1999 to hand over full execution responsibilities to the provincial and commune authorities and hand over advisory responsibilities to national advisors. From an initial pilot in four communes in two provinces in 1996, coverage increased to 500 communes and 12 provinces by the end of 2000. Most importantly, in 1999 the Seila Task Force and its Secretariat was finally established by sub-decree and by 2000 had assumed national execution responsibilities and oversight of both governance and development policy dimensions. This was then the starting point for the design and eventual management and execution of the Seila program, 2001-2006.

The end of the initial phase of Seila coincided with the decision by the Royal Government to move forward with the drafting of the Law on Administration and Management of the Commune/Sangkat and the Law on Commune/Sangkat Elections which were eventually adopted in mid-2001. As such the seven-month, government-led design process for the second phase of Seila carried out in 2000 was based on: five years of practical experience with decentralized approaches; an awareness that decentralized local governance was soon to be adopted by law; the need for momentum to be sustained both prior to and after the adoption of the law; and the knowledge that flexibility needed to be incorporated into the design to facilitate the evolution towards new legal and institutional frameworks.

In recognition of the institutional sensitivities and policy considerations that Seila was engaged with, the Seila Program Document was submitted for review to the Council of Ministers and approved in January 2001. Within the Program Document, Seila was described as a resource mobilization and harmonized coordination framework for support to the Royal Government's emerging decentralization and deconcentration reforms with the goal of contributing to poverty reduction through good governance. The objective of the Seila program was to institute decentralized systems and strategies to manage sustainable local development. Three outputs were established in order to achieve this objective. These objectives were (i) related institutions at all levels strengthened and effectively implementing the decentralized and deconcentrated systems; (ii) efficient and effective services and investment provided for local development; and (iii) contribute to the improvement of policy and regulations for decentralization and deconcentration and poverty alleviation. While the overall goal of the program's logframe included poverty reduction and a decreased disparity between poverty levels of men and women, it was agreed that the program would not attempt to specifically assess poverty alleviation in Cambodia as reduction of poverty levels in Cambodia were being monitored and evaluated by other parties.

Within the first year of program implementation in 2001, the Law on Administration and Management of the Commune/Sangkat was adopted and the National Committee for Support to the Commune/Sangkat (NCSC) established as the mandated authority for



formulation of policy and design of the decentralized regulatory framework required to implement the law. The Seila Task Force immediately recognized the authority of the NCSC and within months of the adoption of the law began programming technical and financial assistance provided through the Partnership for Local Governance (the successor project to CARERE2) to the NCSC-member Ministries and the newly established Department of Local Administration (DoLA) within the Ministry of Interior to support: the design of core regulations including the establishment of the CS Fund as an inter-governmental transfer system, along with the design of the financial system of procedures, and the CS Planning System; the initial national capacity building plan for the CS Councils once elected; and the transition work plan in the 12 provinces and 500 communes where implementation continued under the pilot phase. The success of this critical preparatory work in the second half of 2001 and early 2002 benefited greatly from the five years of experience generated under the initial phase of Seila as systems, procedures and processes had been fully tested at local and provincial level with the involvement of key Ministries such as Interior, Economy and Finance, Planning, Rural Development and Women's Affairs all of whom became members of the NCSC. The transformation of program systems, such as the Local Development Fund which was off-budget, to the CS Fund, established as a component of the national budget, immediately institutionalized experience and enabled implementation of the law to commence within two months of the historic February 2002 Commune Elections; a remarkable achievement in the light of international experience where the design of core regulations necessary for implementation often requires two years from the time the local government act is adopted. With support from Seila, in 2002 all CS Councils received a series of training courses on the law and regulations, all 1,621 CS Councils developed their first CS Development Plans and 500 CS Councils received CS Fund development allocations and implemented investment projects. Of the \$ 4.2 million committed to development under the CS Fund in 2002, nearly 85% was disbursed by the end of the first year.

By the middle of 2002, the disparity in support between those provinces/communes included in the Seila coverage plan and those falling outside became a critical issue. At the September 2002 National Workshop on Formulation of the 2003 Seila Annual Work Plan and Budget, the Deputy Prime Minister, Chairman of the NCSC, requested the Seila Task Force to mobilize additional resources from development partners and secure their agreement to expand the Seila framework to the entire country by 2003. While concerned about the dilution of quality that may result from too rapid expansion, the growing disparity in the ability of sub-national authorities to support CS Councils in provinces outside of the Seila program coverage area was seen as a higher priority to address and agreement was reached by the end of 2002. In the first half of 2003, a national expansion strategy designed by Seila in consultation with the NCSC was implemented and by the end of the year all 24 provinces and all 1,621 CS Councils were benefiting from support provided through Seila. Whereas the Seila program document had foreseen a gradual expansion over five years to reach 17 provinces and 1,200 CS Councils by 2005, in only the middle of the third year of the program full national coverage was achieved exceeding the five-year coverage targets by 30%. **Subsequent evaluations** commissioned by development partners in 2004, confirmed **that after one year of training and implementation** there was no apparent difference in either quality of support to CS Councils or understanding of the regulations in the "new provinces". As such, within less than two years from the time that CS Councils were first elected, **a national program of support was** in place ensuring consistency and equity across the entire country in: the allocation of financial and technical resources; the implementation of an annual planning, programming and budgeting cycle at provincial and commune levels; delivery of national capacity development programs on the decentralized regulatory framework and the benefits that result from the 'learning by doing' approach within a long term reform effort.



While always conceived of as an interim program, first to pilot decentralization and then to support the design and implementation of the law and decentralized regulatory framework under the first CS Council mandate, the Seila program was provocative in: the range of governance and development issues it attempted to promote; the volume of resources that were mobilized and managed under its framework; and the institutional questions that it posed concerning the long term future of sub-national governance. Seila was unique in that it served as a resource framework which mobilized considerable resources from domestic and external sources and then programmed these resources through an annual work planning process resulting in the issuance of contracts to a wide variety of institutions at all levels of government who were responsible for implementation in accordance with their respective mandates. As such, any success resulting from implementation was attributable to the implementing agencies themselves as Seila itself did not directly implement the activities it financed but rather managed the programming framework and overall financial and progress reporting. This led to problems in Seila's very identity as the majority of technical and financial support provided to the NCSC throughout its mandate, for example, was programmed under the Seila framework leading to problems in attribution and national lines of accountability. While originally planned to close at the end of 2005, the Seila program and PLG support project were both extended for an additional year in the last quarter of 2005 to enable the NCSC more unencumbered time to design the organic law, carry out an independent study on future external support mechanisms to support the D&D reforms, formulate a future national program on D&D and resolve the issues surrounding institutional mandates and identity.

Against the original five-year budget projection of \$ 90 million, less than half was committed upon approval of the Seila program document. Between 2001-2006, the total volume of resources mobilized under the Seila framework reached a total of \$ 215 million; an increase of \$ 125 million above the original program budget and \$ 170 million above the resources initially available. These resources were mobilized from the Royal Government's national budget and from 12 development partners for a wide range of social and economic investments through sub-national governments, and for support to capacity development and institutional building at national and sub-national levels. From 2001 to 2006 the aggregate volume programmed under the Seila annual work plans and budgets amounted to \$ 185,482,231 of which 71% was used for investments, 14% for operational support, and 15% for technical assistance and consultancies.<sup>1</sup> The balance of \$ 30 million represented donor commitments that extended beyond the final year of the Seila program in 2006.

The Seila program was closed in December 2006 and the resource mobilization and programming framework, portfolio of ongoing projects and core STFS staff transferred to the newly established National Committee for Management of the D&D reforms (NCDD) in January 2007. Having begun as a pilot in decentralization in 1996, transformed into a support framework for the design and implementation of the decentralized regulatory framework in 2001, expanded to full national program supporting all 24 provinces and 1,621 CS Councils in 2003, and transferred into the new policy and institutional framework of the Royal Government under the NCDD by early 2007, the Seila program supported eleven, annual cycles of design, implementation, evaluation and redesign of new approaches to sub-national governance and local development.

This final report summarizes the achievements of the Seila Program over the period 2001-2006. Against the three objectives within the Seila program log frame, the following is a summary of major results.

---

<sup>1</sup> See table 3.3.

***Objective 1. Related Institutions at all Levels Strengthened and Effectively Implementing the Decentralized and Deconcentrated Systems***

**1.1 Strengthening Institutions**

**1.1.1 Structures**

**CS Council Structure:** Design of sub-decrees, prakas and decisions on: CS Council structures and guidelines; establishment of CS Planning and Budgeting Committee; and recruitment of CS assistants for specific functions. Training on structures, functions and management procedures to all CS Councils and Clerks and continuous management facilitation.

**Provincial Management Structure:** Design of sub-decrees, prakas and decisions on: terms of reference of PRDC and Executive Committees; mandate of Local Administration Unit and restructuring of ExCom to accommodate institutionalization of LAU; personnel management system with job descriptions, competitive recruitment, annual contracts and performance evaluations for 1,790 civil servants at province/district level charged with support to CS Councils and execution of provincial AWPB averaging \$ 500,000 to \$ 4 million per province; annual workshops, training and on the job coaching of ExCom staff in systems, procedures, facilitation skills, data bases, processes and principles of local governance.

**National Management:** Primary technical and financial support to: Seila Task Force Secretariat for formulation and coordination of six Seila AWPBs; and Department of Local Administration, Ministry of Interior since its inception supporting annual training, systems development and management. Technical and financial support to: Ministry of Planning for planning systems and data base development; Ministry of Economy and Finance and National Treasury for CS Fund allocation formula, regulations/procedures, reviews and workshops; Ministry of Agriculture for programmatic support to D&D Agricultural strategy and development, management and systems, reviews and workshops.

**1.1.2 Capacity Building**

**CS Council:** Primary technical support to design of NCSC Annual Training Plans 2002-2006; design of 95% of all training curricula, manuals, materials and TOTs; technical/financial support to implementation of 22 national training courses 2002-2006; three annual training needs assessments; technical/financial support to decentralized, targeted training by provinces 2005-2006; 100 annual CS Congresses organized at province level attended by all CS Councils to collectively review progress and issues related to capacity. In total, over 50,000 recipients of at least one training course.

**District:** Since 2005, technical and financial support to establishment and training of district working groups established under District Committees for District Initiative Program on finance, inter-communal planning, contracting, procurement, reporting and monitoring

**Province:** Primary technical and financial support to continuous training and guidance of 1,800 civil servants within the 24 provincial/municipal executive committees assigned the core governance functions related to both program management and training/facilitation of 1,621 CS Councils. Formal training covered topics related to all aspects of decentralized regulatory framework, participatory planning, financial management, contract administration, procurement, facilitation skills, gender, engineering design, M&E and reporting, data base management and personnel management. In addition, training of 240 line departments, approximately 1,000 civil servants, on contract design, reporting,



financial management, M&E and gender and through their national Ministries wide variety of sector specific topics.

**National:** Technical and financial support to focal points of 12 Ministries/Institutions, Department of Local Administration in Ministry of Interior and STF Secretariat in wide variety of governance and development topics through: Training of Trainer courses; attendance at national and international workshops, training courses, conferences and study tours; continuous on-the-job coaching from advisory teams and learning by doing. Approximately 150 core recipients of training initiatives.

## **1.2 Strengthening Systems**

### **1.2.1 Planning Systems:**

**CS Planning System:** design of CS Development Planning System and guidelines adopted by NCSC; design of training curriculum, TOT and refresher training for 800 sub-national officials; training of estimated 100,000 CS counselors and Planning/Budgeting Committee members; facilitation of 1,621 CS Development plans and five annual cycles of CS Investment Programs; annual reviews and external evaluations; participation by 40% of all villagers in prioritization sessions.

**District Integration Workshop (DIW):** design of DIW process and guidelines; design of training courses for 1,600 sub-national officials and NGOs; design of Commune Development Planning Database software recording annual average of 35,000 CS priorities and 35,000 agreements with government and NGOs; participation annually by estimated 15,000 CS counselors, department representatives, NGOs; annual reviews and external evaluations.

**Provincial Planning:** design of provincial planning system and formats for 5-year Provincial Development Plans and 3-year rolling Provincial Investment Programs; design of training materials for 24 provincial planning departments; annual support to planning workshops and production of plans.

**Annual Work Planning and Budgeting:** design and introduction of annual work planning and budgeting at provincial and national level incorporating high percentage of all resources programmed in support to D&D reforms; design and support to annual workshops on formulation of five Seila AWPBs and first NCDD AWPB; significant impact on harmonization of domestic and external financing, reduction of transaction costs and estimated economies of \$ 2-3 million per year.

### **1.2.2 Finance Systems**

**CS Fund Financial System:** Design of CS Fund regulation and CS Fund financial management system, procedures and formats; annual support to CS Fund allocation formula; support to design of training curriculum and materials and support to TOT for 1,000 provincial officials; training and annual refresher training of 13,000 CS counselors and clerks; continuous support to national and provincial treasuries on accounting and reporting; annual reviews, audits and adjustments to procedures.

**Seila Financial System:** Design of Seila Finance and Administration Manual for use at national and provincial level for harmonized management of external resources allocated in support to D&D; design of Peachtree Accounting Software application; design of TOT and support to training of 1,000 provincial officials; continuous support to provincial finance department; annual reviews, audits and adjustments to procedures.



### 1.2.3 Implementation System:

**CS Fund Project Implementation Manual:** Design of comprehensive manual of procedures for CS Fund project cycle based on six years prior experience; training delivered to all provinces and communes through specific curriculum; annual reviews and revisions; used for implementation of over 10,000 projects since 2003.

**Project Templates Software:** Design of user-friendly, technical templates software for most common local infrastructure projects covering technical specifications, drawing designs, engineering guidance and cost estimate calculations based on updated price surveys. Used for over 9,000 CS local infrastructure projects as well as for portion of district and province infrastructure projects. Adapted for use in three other countries by 2006 through knowledge sharing.

### 1.2.4 Contract Administration

**CS Project Information Database:** Design and continuous revision/maintenance of database recording all key information on CS project progress and financial information; used for reporting and analysis of all CS investment activities since 2003.

**Contract Data Base:** Design and continuous revision/maintenance of user-friendly software for output-based contract design, progress and financial monitoring, national analysis and reporting. Delivered through training to 100 provincial officials responsible for contract administration and approximately 1,000 officials of 240 provincial departments for use in annual contract design and implementation.

### 1.2.5 Monitoring and Evaluation System:

**CS Data Base:** Design, continuous revision/maintenance and annual updating for five years of data base on demographic and socio-economic assets in all villages in Cambodia aggregated by commune and used for planning, reporting and tracking of progress for key indicators. Regularly incorporated into analytical reports and other data bases prepared on development in Cambodia.

**CS and District Socio-Economic Profiles:** Design and maintenance of socio-economic profiles generated from CS Data Base with user friendly charts, graphs and maps used in formulation of development plans.

**Seila M&E Manual:** Design of first national manual on M&E principles, guidelines and logical framework approaches in Cambodia delivered through training to 150 provincial officials responsible for provincial M&E system and 1,000 officials of 240 provincial departments for use in monitoring of contract implementation.

**Seila Documentation Resource Center:** Establishment/maintenance of documentation center with data base filing of over 7,000 documents, studies, evaluations and reports primarily related to Seila's work in governance and local development, regularly accessed by international and national researchers.

## **Objective 2. Efficient and Effective Services and Investments Provided for Local Development**

2.1 **CS Fund:** primary technical and facilitation support to CS Councils for design, implementation, monitoring and reporting on approximately 11,000 commune projects with an aggregate value of \$ 56 million financed by the Local Development Fund (500 projects

in 2001), the CS Fund (8,700 projects 2002-2006), the UNICEF Seth Koma Program (450 projects 2004-2006), the Danida CCB-NREM project (622 projects 2004-2006) and IFAD (700 projects 2004-2006). Details on the numerous outputs are provided in the main body of the report.

**2.2 District Funds:** technical and financial support to District Committees for design, implementation, monitoring and reporting on 135 inter-communal service delivery projects with an aggregate value of \$ 300,000 and 47 inter-communal infrastructure projects with an aggregate value of \$ 800,000 during 2005-2006. Details on the numerous outputs are provided in the main body of the report.

**2.2 Provincial Investment Funds:** primary technical and financial support to PRDC/ExComs and cooperating provincial departments for design, implementation, monitoring and reporting on 1,180 projects with an aggregate value of \$ 17 million financed by PLG (985 projects valued at \$ 11.3 million 2001-2006); Danida CCB-NREM (132 projects valued at \$ 2.25 million 2004-2006) and UNICEF Seth Koma (82 projects valued at \$ 3.6 million 2004-2006). Details on the numerous outputs are provided in the main body of the report.

**2.3 Agriculture:** Through cooperation with two IFAD projects which fully utilized the Seila-supported structures and systems, a comprehensive approach to agriculture development through D&D developed including district-based extension services, commune extension workers and farmer groups. Results include: 30,000 poor households increasing their paddy yields by an average of .5-1 ton/ha; and 60,000 households successfully using seasonal credit to increase their agriculture and/or livestock production by investing in productive enterprises.

**2.4 Natural Resource and Environment Management:** Design/implementation of NREM mainstreaming strategy through local governance placing the ownership for problem analysis and solutions in the hands of the CS Council, District Committees and the provincial authorities. Total of 800 projects with an aggregate value of \$ 3.4 million implemented at commune (77%), district (8%) and province (15%) over three years, 2004-2006. Details on the numerous outputs are provided in the main body of the report.

**2.5 National Ministry Services:** Aggregate total of \$ 4.2 million allocated over six years to finance annual work plans of 12 different national ministries/institutions focused on: design of regulations, systems and databases; capacity development of sub-national administrations and line departments; national supervision, coordination, monitoring and technical auditing of policy and program development; implementation of D&D pilot activities related to specific ministry mandates; and development and review of national sector and cross cutting, thematic strategies.

### ***Objective 3. Contribute to the Improvement of Policy and Regulations for Decentralization and Deconcentration and Poverty Alleviation***

**3.1 Decentralized Regulatory Framework:** A total of 84 sub-decrees and prakas, representing over 80% of the decentralized regulatory framework, were designed with technical support from PLG based on experience generated under the Seila program and under implementation in all 1,621 communes and 24 provinces.<sup>2</sup>

---

<sup>2</sup> See Oberndorf 2004 on legal instruments in Cambodia for an explanation of "prakas". See chapter 15 for Seila influence on the development of policy and regulations. See chapter 13.1, listing the sub-decrees and prakas developed with support from Seila.



**3.2 Deconcentration:** Provincial systems, procedures and data bases for planning, budgeting, procurement, contract administration, implementation, monitoring, reporting and personnel management were designed and under operation in all 24 provinces since 2003 representing a foundation of experience for review, redesign and institutionalization following the adoption of the Organic Law.<sup>3</sup>

**3.3 Government Ownership:** As a result of good process; regular government-led consultative workshops on program planning, systems development and decision making; discretionary financing; use of khmer language for primary reporting, manuals, data bases and communications; national execution modalities; and continuous linkage with government policy reform process, a high degree of government ownership and commitment was achieved.

**3.4 Accountability:** As a result of financial system design including use of peachtree accounting software, internal controls, direct payment system at provincial level, transparent budget preparation and publication of annual financial allocations, introduction of internal auditing at sub-national level, continuous external and internal financial and technical auditing, establishment of Accountability Working Groups at national and sub-national level and close working relations between national and sub-national finance units and technical advisory teams, a high degree of accountability was achieved for a program with annual budgets reaching \$ 50 million disbursed through over 2,100 cost centers by 2006.

**3.5 Gender Mainstreaming:** Through design and implementation over six years of the Seila Gender Mainstreaming strategy with the Ministry of Women's Affairs; engendering of systems, procedures and regulations; provision of annual allocations at all levels for training and awareness raising of gender approaches; annual national consultative workshops to review progress and determine future priorities for gender mainstreaming; advocacy for gender equity on planning and budgeting committees; establishment of gender focal points in line departments; and incorporation of gender issues in local planning processes, "substantial progress was made in the promotion of gender sensitivity in local governance ....which is especially remarkable when it is recognized that the term gender was hardly known as a word or concept when the gender mainstreaming strategy began at the end of the 1990's." <sup>4</sup>

**3.6 Learning by Doing:** The learning by doing approach to both capacity development and policy formulation has been highlighted in many external evaluations of the Seila program. In regards to policy, the ability of Seila to anticipate the emerging reforms, design and pilot key aspects of future systematic and structural requirements, support the transformation and institutionalization of this experience into government regulations in a timely manner, continuously promote a forward looking agenda on local governance, and develop a constituency and momentum for the reform process through learning by doing has had an influence that can only be properly measured in time.

---

<sup>3</sup> See Seila Annual Report 2005 for details. See also Section C, chapter 5-13 in this report.

<sup>4</sup> See Brereton, *Gender Mainstreaming and Decentralization: An Assessment of the Process with Recommendations*.



# List of Contents

<b>FOREWORD .....</b>	<b>.....</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>1-IX</b>
<b>ABBREVIATIONS.....</b>	<b>8-10</b>
<b>1 INTRODUCTION.....</b>	<b>11</b>
<b>2 HISTORICAL CONTEXT OF THE SEILA PROGRAM.....</b>	<b>14</b>
2.1 FROM REPATRIATION TO REGENERATION AND LOCAL GOVERNMENT REFORM .....	14
2.2 SEILA COVERAGE .....	15
2.3 SEILA MANAGEMENT AND TASKS .....	15
2.4 HARMONIZED TECHNICAL ADVISORY SERVICES AND PROGRAM SUPPORT .....	16
<b>3 RESOURCE MOBILIZATION AND PROGRAMMING.....</b>	<b>18</b>
3.1 ROLES OF DONORS .....	18
3.2 PROGRAMMING THROUGH THE SEILA ANNUAL WORK-PLAN AND BUDGET .....	19
<b>4 ESTABLISHMENT AND STRENGTHENING OF INSTITUTIONS FOR DECONCENTRATION AND DECENTRALISATION.....</b>	<b>25</b>
4.1 THE SEILA INSTITUTIONS .....	25
4.1.1 <i>Mandate</i> .....	25
4.1.2 <i>Seila Task Force</i> .....	25
4.1.3 <i>Seila Donor Forum</i> .....	26
4.1.4 <i>Seila Task Force Secretariat</i> .....	26
4.1.5 <i>Seila Task Force Ministries and Focal Points</i> .....	26
4.1.6 <i>Provincial Rural Development Committee</i> .....	26
4.1.6.1 Background and Purpose of PRDC Structure .....	26
4.1.6.2 Functions of the Provincial / Municipal Rural Development Committee .....	30
4.1.6.3 ExCom Contract Administration Unit.....	31
4.1.6.4 ExCom Local Administration Unit .....	31
4.1.6.5 ExCom Finance Unit.....	32
4.1.6.6 ExCom Technical Support Unit.....	32
4.1.6.7 Provincial Department of Women's Affairs .....	32
4.1.7 <i>Future of PRDC-ExCom</i> .....	32
4.2 NCSC AND INSTITUTIONS OF DECENTRALISED GOVERNMENT .....	33
4.2.1 <i>National Committee to Support the Communes / Sangkats</i> .....	33
4.2.2 <i>Department of Local Administration</i> .....	34
4.2.3 <i>Seila Support to NCSC and DoLA</i> .....	34
4.2.4 <i>Provincial / Municipal Office of Local Administration</i> .....	34
4.3 COMMUNE / SANGKAT COUNCILS .....	35
4.3.1 <i>Structure and Functions</i> .....	35
4.3.2 <i>Seila Program Support to C/S Councils</i> .....	36
4.3.3 <i>Achievement of C/S Councils</i> .....	36
4.4 DECENTRALISED INSTITUTIONS AT THE DISTRICT LEVEL.....	37
4.5 INSTITUTIONS FOR ACCOUNTABILITY.....	37
4.5.1 <i>General</i> .....	37
4.5.2 <i>Internal Auditors</i> .....	38
4.5.3 <i>Accountability Working Groups</i> .....	39
<b>5 ESTABLISHMENT AND STRENGTHENING OF SYSTEMS FOR D&amp;D.....</b>	<b>40</b>
5.1 BACKGROUND .....	40
5.2 DATA COLLECTION: THE VILLAGE AND COMMUNE DATA BOOKS .....	41
5.3 RESOURCE ALLOCATION AND PLANNING .....	42
5.3.1 <i>General Principles</i> .....	42
5.3.2 <i>Resource Allocation Within Seila</i> .....	43
5.3.3 <i>Commune/Sangkat Development Planning</i> .....	44
5.3.4 <i>Commune / Sangkat Project Preparation</i> .....	46
5.3.5 <i>The District Integration Process and PIF Fund Allocation</i> .....	47

5.3.6	<i>The Provincial Annual Work-Plan and Budget</i> .....	49
5.3.7	<i>The District Initiative Pilot</i> .....	49
5.3.8	<i>Seila Annual Work-Plan and Budget</i> .....	50
5.4	CONTRACT ADMINISTRATION .....	50
5.4.1	<i>Principles</i> .....	50
5.4.2	<i>Seila Contract Administration Systems</i> .....	51
5.4.3	<i>C/S Council Procurement and Contract Administration</i> .....	52
5.5	FINANCIAL MANAGEMENT .....	53
5.5.1	<i>Seila Financial Management System</i> .....	53
5.5.2	<i>Seila Finance and Administration Manual</i> .....	54
5.5.3	<i>C/S Council Financial Management System</i> .....	54
5.5.4	<i>The Commune/Sangkat Fund</i> .....	56
5.6	MONITORING AND EVALUATION .....	58
5.6.1	<i>The Seila Monitoring and Evaluation Manual</i> .....	58
5.6.2	<i>National Roles and Responsibilities for M&amp;E</i> .....	59
5.6.3	<i>Provincial / Municipal Roles and Responsibilities for M&amp;E</i> .....	60
5.6.4	<i>Internal Monitoring and Evaluation at Commune Level</i> .....	61
5.6.5	<i>Database Systems</i> .....	63
5.6.6	<i>Management Monitoring and Intervention</i> .....	64
5.6.7	<i>The Seila Annual Progress Report</i> .....	64
5.6.8	<i>Assessment of the Seila Monitoring and Evaluation System</i> .....	64
	Planning .....	65
	Policy .....	66
5.7	C/S FUND ACCOUNTABILITY SYSTEM .....	66
6	BUILDING HUMAN RESOURCE CAPACITY .....	67
6.1	CAPACITY BUILDING APPROACHES UNDER SEILA .....	67
6.1.1	<i>General</i> .....	67
6.1.2	<i>Personnel Management as a Foundation for Capacity Building</i> .....	68
6.1.3	<i>Concise Operational Guidelines</i> .....	69
6.1.4	<i>Formal Training</i> .....	69
6.1.5	<i>Learning by Doing and Experience Sharing</i> .....	70
6.2	BUILDING CAPACITY OF PRDC-EXCOM .....	71
6.3	BUILDING CAPACITY OF PROVINCIAL LINE DEPARTMENTS .....	71
6.4	BUILDING CAPACITY OF C/S COUNCILS .....	71
6.5	PRIVATE SECTOR CAPACITY BUILDING .....	73
6.6	CIVIL SOCIETY CAPACITY BUILDING .....	74
7	PARTNERSHIP .....	75
7.1	GENERAL .....	75
7.2	SEILA PARTNERSHIPS AT NATIONAL LEVEL .....	75
7.3	SEILA PARTNERSHIPS AT PROVINCIAL LEVEL .....	76
7.4	PARTNERSHIP BUILDING THROUGH THE DISTRICT INTEGRATION PROCESS .....	76
8	DECENTRALIZED INVESTMENTS .....	78
8.1	SCOPE .....	78
8.2	RESOURCES .....	78
8.2.1	<i>Commune-Sangkat Fund</i> .....	78
8.2.2	<i>Commune Infrastructure Investment Fund (CIDF)</i> .....	80
8.2.3	<i>Rural Infrastructure Investment Fund</i> .....	81
8.2.4	<i>Local Contributions</i> .....	81
8.2.5	<i>UNICEF-Seth Koma Funds</i> .....	82
8.2.6	<i>Danida CCB-NREM Funds</i> .....	83
8.2.7	<i>Other Funds Disbursed Through Commune Budgets</i> .....	83
8.2.8	<i>Summary of Resources Disbursed Through C/S Budgets</i> .....	83
8.3	SUMMARY OF PHYSICAL OUTPUTS OF C/S INVESTMENTS .....	84
8.4	OTHER FINANCING OF COMMUNE-IMPLEMENTED ACTIVITIES .....	88
8.4.1	<i>The Phnom Penh 50-50 Fund</i> .....	88
9	DISTRICT LEVEL INVESTMENTS .....	89



9.1	SCOPE.....	89
9.2	RESOURCES.....	89
9.3	SECTOR ALLOCATIONS AND OUTPUTS .....	89
10	PROVINCIAL INVESTMENTS.....	94
10.1	SCOPE.....	94
10.2	RESOURCES AND BUDGETING.....	95
10.3	ACHIEVEMENTS BY PROGRAM COMPONENT : PIF FUNDS .....	96
10.3.1	PLG PIF Funds.....	96
10.3.2	Danida CCB-NREM PIF.....	104
10.3.3	UNICEF Seth Koma PIF.....	109
10.4	ACHIEVEMENTS BY PROGRAM COMPONENT : DECONCENTRATED SECTOR PROJECTS .....	111
10.4.1	Community Based Rural Development Project.....	111
10.4.2	Agriculture Development Support to Seila (ADESS) .....	112
10.4.3	Physical Outputs .....	113
10.4.4	IFAD Rural Poverty Reduction Project (RPRP).....	113
10.4.5	Canada Agricultural Development in Mine Affected Areas of Cambodia (ADMAC) .....	115
10.5	SPECIAL PROJECT ARRANGEMENTS.....	117
10.5.1	Cambodia-Australia Agriculture Extension Project (CAAEP) .....	117
10.5.2	France-Mini Reseaux D'eau Potable (MIREP) Project .....	117
10.5.3	Canada - IFSN.....	118
10.5.4	Other Provincial Investments Through Seila.....	118
11	NATIONAL MINISTRY SERVICES.....	119
11.1	OVERVIEW .....	119
11.2	ACHIEVEMENTS BY MINISTRY.....	120
11.2.1	Ministry of Interior - Department of Local Administration.....	120
11.2.2	Ministry of Economy and Finance / National Treasury.....	121
11.2.3	Ministry of Planning .....	122
11.2.4	Ministry of Rural Development.....	122
11.2.5	Ministry of Women's Affairs.....	123
11.2.6	Ministry of Agriculture, Forests and Fisheries (MAFF).....	124
11.2.7	Ministry of Water Resources and Meteorology (MoWRAM) .....	125
11.2.8	Ministry of Social Affairs (MSA).....	126
11.2.9	Ministry of Land Management.....	126
11.2.10	Ministry of Environment (MoE).....	127
11.2.11	Council Admin Reform (CAR).....	128
11.2.12	National Audit Authority (NAA).....	128
11.2.13	Forestry Administration.....	129
11.2.14	Cambodia Mines Action Authority (CMAA) .....	129
11.2.15	Rural Development Bank.....	129
11.2.16	Natural Resource and Environment Advisory Group .....	129
12	PERFORMANCE OF SEILA INVESTMENTS.....	131
12.1	GENERAL.....	131
12.2	EFFICIENCY AND EFFECTIVENESS.....	131
12.2.1	Quality of Seila Investment Outputs.....	131
12.2.2	Unit Costs of Seila Investment Outputs.....	132
12.2.3	Administration and Technical Assistance Costs .....	133
12.2.4	Cost-Benefit Analyses .....	134
12.3	TRANSPARENCY AND ACCOUNTABILITY IN IMPLEMENTATION OF INVESTMENTS.....	135
12.4	GENDER EQUITY IN IMPLEMENTATION OF INVESTMENTS .....	136
12.5	ENVIRONMENTAL IMPACTS .....	136
12.6	SUSTAINABILITY .....	137
12.7	GEOGRAPHICAL EQUITY AND POVERTY TARGETING OF INVESTMENTS.....	138
13	MODALITY OF SEILA CONTRIBUTION TO POLICY AND REGULATIONS.....	140
13.1	THE FOUR STAGE PROCESS: CONCEPTUALIZATION, EXPERIMENTATION, LEARNING, POLICY..	140
13.2	RESEARCH AND DISSEMINATION.....	141
14	SEILA POTENTIAL INFLUENCE ON ADMINISTRATIVE REFORM.....	143



15	SEILA POTENTIAL INFLUENCE ON DECONCENTRATION OF SECTOR FUNCTIONS	144
16	CROSS CUTTING ISSUES: POLICY, STRATEGY AND PRACTICE .....	145
16.1	GENDER MAINSTREAMING .....	145
16.1	POVERTY REDUCTION .....	146
16.2	NATURAL RESOURCE MANAGEMENT .....	148
16.3	TRANSPARENCY AND ACCOUNTABILITY .....	150
17	PARTNERSHIP FOR LOCAL GOVERNANCE.....	151
17.1	GENERAL.....	151
17.2	BACKGROUND OF THE PLG PROJECT .....	151
17.3	ROLES AND RESPONSIBILITIES WITHIN PLG.....	152
17.4	EMPLOYMENT STATUS AND MANAGEMENT ACCOUNTABILITY OF PLG ADVISORY TEAM ...	153
17.5	ANALYSIS OF PLG ADVISORY SERVICES.....	155
17.5.1	<i>General</i> .....	155
17.5.2	<i>Expansion of Coverage</i> .....	155
17.5.3	<i>Support to Provincial Management, Local Governance and Coordination.....</i>	156
17.5.4	<i>Support to Local Capacity Building, Local Administration and the District Initiative</i> 157	
17.5.5	<i>Support to Provincial Planning, Service Delivery, Contract Administration and M&amp;E</i> 158	
17.5.6	<i>Support to Financial Management.....</i>	159
17.5.7	<i>Support to Local Infrastructure .....</i>	160
17.5.8	<i>Overall Support to PRDC ExCom.....</i>	161
17.5.9	<i>Support to D&amp;D Agriculture Development.....</i>	161
17.6	FINANCIAL SUMMARY OF PLG DISBURSEMENTS .....	162
18	SEILA PROGRAMME SUMMARY FINANCIAL REPORT .....	163
	REFERENCES .....	165

## List of Tables

TABLE 1 : RESPECTIVE ROLES OF MAJOR DONOR PARTNERS .....	18
TABLE 2 : SUMMARY OF SEILA ANNUAL WORK-PLAN AND BUDGET RESOURCES .....	21
TABLE 3 : SUMMARY OF SEILA AWPB BY BUDGET CATEGORY.....	23
TABLE 4 : SUMMARY OF SAWPB RESOURCES BY DONOR.....	23
TABLE 5: PROPORTION OF RESOURCES BY BUDGET CATEGORY AND DONOR.....	24
TABLE 6 : ANALYSIS OF STATE OF DEVELOPMENT OF M&E SYSTEM.....	65
TABLE 7 : CIVIL SERVANTS SUBJECT TO SEILA PERSONNEL MANAGEMENT PROCEDURES.....	69
TABLE 8 : TRAINING OF GOVERNMENT OFFICIALS UNDER SEILA.....	70
TABLE 9 : PLG CONTRIBUTION TO NCSC CAPACITY BUILDING PROGRAMME.....	72
TABLE 10 : CAPCITY BUILDING FOR CIVIL SOCIETY .....	74
TABLE 11 : SUMMARY OF TEMPORARY AGREEMENTS FROM DISTRICT INTEGRATION PROCESS .....	77
TABLE 12 : RESOURCES ALLOCATED TO COMMUNE-SANGKAT FUND BY YEAR.....	78
TABLE 13 : FINANCING OF THE C/S FUND LOCAL DEVELOPMENT COMPONENT BY YEAR (US\$).....	79
TABLE 14 : PERFORMANCE OF CASH DISBURSEMENTS OF C/S FUND FROM NATIONAL TO PROVINCIAL TREASURY .....	80
TABLE 15 : ALLOCATION OF CIDF FUNDS BY PROVINCE AND YEAR .....	80
TABLE 16 : ALLOCATION OF RIIF FUNDS BY PROVINCE AND YEAR.....	81
TABLE 17 : LOCAL CONTRIBUTION AMOUNTS AS A PERCENTAGE OF TOTAL CAPITAL REVENUES FOR DEVELOPMENT .....	82
TABLE 18 : ALLOCATION OF FUNDS TO WOMEN AND CHILDREN .....	82
COMMITTEES BY SETH KOMA .....	82
TABLE 19 : ALLOCATION OF FUNDS TO FOR COMMUNE NREM ACTIVITIES.....	83
TABLE 20 : REVENUES RECEIVED BY COMMUNE-SANGKAT COUNCILS 2002-2006 .....	84
TABLE 21 : EXPENDITURES OF C/S COUNCILS BY BUDGET CATEGORY .....	84
TABLE 22 : C/S DEVELOPMENT INVESTMENTS BY PROJECT TYPE.....	85
TABLE 23 : SUMMARY OUTPUT OF COMMUNE / SANGKAT INFRASTRUCTURE INVESTMENTS .....	85
TABLE 24 : SUMMARY OF COMMUNE NREM AND LIVELIHOODS PROJECTS .....	87
TABLE 25 RESOURCES PROGRAMMED FOR DISTRICT LEVEL INVESTMENTS .....	89
TABLE 26 DISTRICT INVESTMENT BUDGETS BY SECTOR .....	90
TABLE 27 OUTPUTS OF DISTRICT PROJECTS BY TYPE .....	90
TABLE 28 RESOURCES FOR PROVINCIAL INVESTMENTS IN SEILA AWPB BY FUND SOURCE .....	95
TABLE 29 RESOURCES FOR PROVINCIAL INVESTMENTS IN SEILA AWPB BY SECTOR .....	956
TABLE 30 DISBURSEMENT OF PLG PIF FUNDS BY YEAR.....	96
TABLE 31 DISBURSEMENT OF PLG PIF FUNDS BY PROVINCE.....	96



TABLE 32 DISBURSEMENT OF PLG PIF FUNDS BY SECTOR.....	97
TABLE 33 PHYSICAL OUTPUTS OF PLG PIF BY CATEGORY AND YEAR.....	98
TABLE 34 IMPLEMENTATION OF DANIDA CCB-NREM PIF CONTRACTS BY SECTOR AND YEAR.....	105
TABLE 35 IMPLEMENTATION OF DANIDA CCB-NREM PIF CONTRACTS BY PROVINCE AND YEAR.....	105
TABLE 36 PHYSICAL OUTPUTS OF CCB-NRM BY CATEGORY AND YEAR.....	106
TABLE 37 IMPLEMENTATION OF UNICEF - SETH KOMA PIF CONTRACTS BY SECTOR AND YEAR.....	110
TABLE 38 IMPLEMENTATION OF DANIDA UNICEF SETH KOMA PIF CONTRACTS BY PROVINCE AND YEAR.....	110
TABLE 39 CBRD: COMMITMENTS AND DISBURSEMENTS BY YEAR.....	112
TABLE 40 PHYSICAL ACHIEVEMENTS OF CBRD-RURAL INFRASTRUCTURE 2001-2006 .....	112
TABLE 41 ADESS: COMMITMENTS AND DISBURSEMENTS BY YEAR.....	113
TABLE 42 ADESS: COVERAGE AND BENEFICIARIES.....	113
TABLE 43 RPRP: COMMITMENTS AND DISBURSEMENTS BY YEAR.....	114
TABLE 44 RPRP: SUMMARY OF QUANTITATIVE INPUTS, TARGETS AND KEY PROJECT FACTORS.....	115
TABLE 45 ADMAC: COMMITMENTS AND DISBURSEMENTS IN 2006.....	116
TABLE 46 SUMMARY OF CAAEP CONTRACTS WITH DEPARTMENT OF AGRICULTURE .....	117
TABLE 47 RESOURCES FOR NATIONAL MINISTRY SERVICES IN SEILA AWPB BY FUND SOURCE.....	119
TABLE 48 RESOURCES FOR NATIONAL MINISTRY SERVICES IN SEILA AWPB BY SECTOR.....	119
TABLE 49 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: MOI - DOLA.....	121
TABLE 50 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: MEF.....	122
TABLE 51 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: MOP.....	122
TABLE 52 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: MRD.....	123
TABLE 53 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: MWA.....	124
TABLE 54 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: MAFF.....	125
TABLE 55 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: MOWRAM.....	126
TABLE 56 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: MSA.....	126
TABLE 57 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: MULMC.....	127
TABLE 58 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: MOE.....	127

TABLE 59 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: CAR .....	128
TABLE 60 IMPLEMENTATION OF STFS – NATIONAL MINISTRY SERVICES CONTRACTS: NAA .....	129
TABLE 61 SUMMARY OF NATIONAL MINISTRY SERVICES CONTRACTS.....	130
TABLE 62 COST-BENEFIT ANALYSES OF SEILA INVESTMENTS.....	134
TABLE 63 SEILA/PLG EXPANSION OF COVERAGE: 2001-2005 .....	155
TABLE 64 SUPPORT TO PROVINCIAL MANAGEMENT, LOCAL GOVERNANCE AND COORDINATION.....	156
TABLE 65 SUPPORT TO LOCAL CAPACITY BUILDING, LOCAL ADMINISTRATION AND DISTRICT INITIATIVE .....	158
TABLE 66 SUPPORT TO PROVINCIAL PLANNING, SERVICE DELIVERY, CONTRACT ADMINISTRATION AND M&E.....	159
TABLE 67 SUPPORT TO FINANCIAL MANAGEMENT .....	160
TABLE 68 SUPPORT TO LOCAL INFRASTRUCTURE .....	160
TABLE 69 OVERALL SUPPORT TO PRDC EXCOM.....	161
TABLE 70 SUPPORT TO AGRICULTURE.....	162
TABLE 71 SUMMARY OF PLG FINANCIAL RESULTS 2001 - 2006.....	162
TABLE 72 SUMMARY OF SEILA PROGRAM FINANCIAL RESULTS 2001 - 2006 .....	163



## Abbreviations

ADESS	Agricultural Development Support to Seila
ADMAC	Agricultural Development in Mine-Affected Areas of Cambodia
AusAID	Australian Agency for International Development
AWG	Accountability Working Group
AWPB	Annual work plan and budget
C/S	Commune/Sangkat
CAAEP	Cambodia Australia Agricultural Extension Project
CAR	Council for Administrative Reform
CARERE I	Cambodia Repatriation and Rehabilitation project
CARERE II	Cambodia Area Regeneration and Reconstruction Project
CAU	Contract Administration Unit (PRDC ExCom)
CBRD	Community-Based Rural Development
CC	Commune Council
CCB-NREM	Commune Community-Based NREM
CDB	Commune Database
CDC	Commune Development Committee
CDC	Council for the Development of Cambodia
CDP	Commune Development Plan
CDPD	Commune Development Plan Database
CIDF	Commune Infrastructure Development Fund
CMAA	Cambodian Mine Action Authority
CS	Commune/Sangkat
D&D	Decentralization and Deconcentration
DANIDA	Danish International Development Assistance
DDLG	Democratic Development and Local Governance
DFT	District Facilitation Team
DIW	District Integration Workshop
DoLA	Department of Local Administration
DoP	Department of Planning
DPAM	District Priority Activities Matrix
DSP	Deconcentrated Sector Program
EU	European Union
ExCom	Executive Committee (of PRDC)
FU	Finance Unit (PRDC ExCom)
GTZ	German Technical Cooperation Agency
IFAD	International Fund for Agricultural Development
JICA	Japan International Cooperation Agency
LAMC	Law on the Administration and Management of Commune/Sangkat
LAU	Local Administration Unit
LCBA	Local Capacity Building Advisor
LCBO	Local Community Based Organizations

LCBU	Local Capacity Building Unit
LDF	Local Development Fund
M&E	Monitoring and Evaluation
MAFF	Ministry of Agriculture Forestry and Fisheries
MEF	Ministry of Economics and Finance
MIS	Management Information System
MLMUPC	Ministry of Land Management, Urban Planning and Construction
MOI	Ministry of Interior
MOP	Ministry of Planning
MoU	Memorandum of Understanding
MRD	Ministry of Rural Development
MTR	Mid-Term Review
MWA	Ministry of Women's Affairs
MWRM	Ministry of Water Resource Management
NCDD	National Committee for Management of D&D Reforms
NCSC	National Committee for Support to the Commune
NGO	Non-Government Organisation
NREM	Natural Resources and Environment Management
NRML	Natural Resource Management and Livelihoods
NSDP	National Strategic Development Plan
PBC	Planning and Budgeting Committee
PBC	Planning and Budgeting Committee
PDIP	Provincial Development Investment Plan
PDP	Provincial Development Plan
PDRD	Provincial Department of Rural Development
PDWA	Provincial Department of Women's Affairs
PDWRM	Provincial Department of Water Resource Management
PFT	Provincial Facilitation Team
PID	Project Information Database
PIF	Provincial Investment Fund
PIM	Project Implementation Manual
PLG	Partnership for Local Governance
PMC	Project Management Committee
PMEU	Policy, Monitoring and Evaluation Unit
POLA	Provincial Office for Local Administration
PRDC	Provincial Rural Development Committee
PRDC	Provincial Rural Development Committee
PSDD	Partnership for Democratic Development through D&D
PST	Program Support Team
PSU	Project Support Unit
PTFT	Provincial Technical Facilitation Team
RGC	Royal Government of Cambodia
RILGP	Rural Investment and Local Governance Project



RPRP	Rural Poverty Reduction Project
SCD	Seila Contracts Database
Seila	A Khmer language word approximating to "foundation stone"
SIDA	Swedish International Development Cooperation Agency
SPPA	Senior Provincial Programme Advisor
STF	SEILA Task Force
TA	Technical Assistance
TOT	Training of Trainer
TSS	Technical Support Staff
TSU	Technical Support Unit
	United Kingdom, Development Fund for International
UK DFID	Development
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
VDC	Village Development Committee
WFP	World Food Program

## SECTION A: THE SEILA PROGRAMME

---

### 1 Introduction

The second phase of the Seila program was established by the Council of Ministers in January 2001 as an aid mobilization and donor harmonization program in support to the decentralization and deconcentration reforms. The aim of the program was to strengthen local governance and contribute to poverty reduction across the country. The Seila program embodied four crucial principles to guide national and provincial operations: Dialogue, Clarity, Agreement and Respect. These principles were seen as important in order to achieve a *process* that would contribute to the building of working relations, development of consensus, and a constituency for reform.<sup>1</sup>

The Seila program embraced two major objectives; one was to contribute to poverty reduction through local governance, and the other was to improve local governance by channeling funds to the sub national level to allow locally elected leaders to respond to locally identified needs. Funds were also channeled to the provincial level to allow sector ministries to deliver services. This meant that training in good governance was immediately applicable to commune councilors and provincial staff because they had funds to invest and needed to know the rules and regulations for spending these funds. Hence, theory and practice was crucially interlinked. Funds transfer, capacity support, and regulatory development was all implemented by national government institutions. This meant that while Seila mobilized funds and facilitated government institutions in design and management of the program and in revisions and improvements over time, Seila was never intended to be an implementer, and never became one. All implementation took place through the proper government structures and systems. Seila, however, facilitated and assisted in the design, improvement and change of these systems and structures.

The support provided through the Seila program to the government's reform in local governance evolved over time in advance of and then in parallel with the evolving government reforms and the regulatory framework. In the second half of the 1990s the village, through elected Village Development Committees (VDCs), was the initial center of attention for the early piloting of decentralized planning approaches coordinated through a Commune Development Committee. Noting early on that the government would move towards establishment of local governance at commune level, by 1997 the focus shifted to the commune with village representatives ensuring the active participation of villagers in the process. By the time the Law on the Administration and Management of the Communes (LAMC) was adopted in 2001, a full five cycles of commune planning and management had been implemented with systems and procedures annually adjusted based on experience and scale. While the province was the focus of attention with regards to service delivery, in line with the longer term strategy of bringing service delivery as close to the people as possible, a pilot in 2006 to enhance the role of the districts began generating lessons on constraints and opportunities. At the close of the Seila program, the districts have assumed an increasingly important role as substantial resources will continue to be allocated to them. Strategic discussions with regards to distribution of resources between the democratically elected councils and the sub-national administrative levels (i.e. the districts and the provinces) will need to take place during the design of the new sub-national program for decentralization and deconcentration.

Seila was defined as a government aid mobilization and donor harmonization framework for support to the D&D reforms. Over the six year period, 2001-2006, a total of \$ 215 million was

---

<sup>1</sup> See Biddolph 2006a.



mobilized of which \$ 185 million was programmed during Seila's duration with the balance for ongoing project commitments beyond 2006. This represented a nearly 250% increase over the initial program budget of \$ 90 million What was it about Seila that made this happen?

The Seila program was not always been well understood, by proponents and critics alike. This was because Seila was a complex program and developed and changed and adjusted to needs over time. It was a tremendously flexible and reflexive program. Of the hundreds of consultant reports commissioned on Seila, fifty-three core reports attempted in one way or another to define the program or some of its key features. In the latest addition to this list, a **World Bank report presents Seila as one example of best practice of aid effectiveness in post-conflict contexts at a global scale.**

Seila was complex because it constantly adjusted to the needs of the reform program while at the same time, in order to mobilize funds from a variety of donors under one annual workplan, it was necessary to accommodate the different donor requirements. Seila was complex because it was responding to different needs within the government and filled the gaps and provided support where and when support was needed. Very few of these things could be conceptualized in a log frame, often they could not even be predicted. This flexibility was both its strength and its weakness. It was its strength because it enabled the program to accommodate the various requirements of different donor partners while at the same time 'working them' into a common framework. It was its strength also because the funds Seila had mobilized through the Partnership for Local Governance (PLG) allowed it to fill gaps, experiment, push, pull and be active on the arenas where it was needed. While responding to weaknesses in the government system, this gap filling function nevertheless challenges the government to make clear strategic moves to enhance the ownership of the process. A review of the current technical advisory support and the existing salary supplementation arrangements is expected to enhance such discussions in 2007 in order to reduce the dependency on technical advisory support and increase merit based performance of government staff.

The ability to rapidly expand Seila's geographic coverage to the entire country half way through the program and to mobilize a substantially higher volume of resources was to a great extent enabled by the fact that Seila was inspired by people who translated visions into reality by working with relevant government institutions to put in place the regulatory framework and the support mechanisms that were needed to allow the sub-national levels of government to invest in poverty reduction measures. In addition, the Seila program was never associated with any one specific sector or ministry and was able to work across the sectors, ministries and agencies that were engaged in the Seila program. Hence, it played an essential role in harmonization between government institutions.

Although never stated as an attribute, its efforts in "sensemaking" nevertheless became an immensely critical part of the things that Seila did.<sup>2</sup> Like most countries with many development partners, Cambodia in the 1990s was engaged with a range of approaches to development support, funds management, and implementation arrangements. Like most countries in this situation, Cambodia realized the enormous transaction costs on the part of the government of such arrangements. Unlike many other development countries at that time, Cambodia made a clear decision to harmonize donor support to local government reform as a way of maximizing the effects and minimizing the transaction costs on financial and human resources. In this way, Cambodia was a forerunner to donor harmonization long before it became development jargon.

The basic assumption of the Seila program has always been that decentralization of responsibility coupled with resources to fund appropriate investments planned, programmed and implemented at the appropriate sub-national level would contribute to poverty reduction.

---

<sup>2</sup> Knowles, J. (in progress) PhD Thesis.

This basic assumption was the starting point for the Seila program, and was a driving force for its development and change over time from its origins in a repatriation project focusing on the border zone provinces to embracing and contributing to local government reform throughout Cambodia.

While experiences from many other countries indicate that in order for decentralization to lead to poverty reduction, a series of attributes need to be present, such as the absence of a strong patron-client relationship, capacity in the civil service, and many others.<sup>3</sup> Although this sort of study has not been conducted in Cambodia, mainstream knowledge indicates that strong patron-client relationships are present, the capacity of civil society is weak, etc. Nevertheless, the Cambodian government has relentlessly aimed at rebuilding a state that was in tatters, reinforcing a civil service which had lost most of its capacity, and bringing decision making as well as funds to villages and communes in all parts of the country so that everyone would realize that peace and progress was intended to benefit all. The government's Seila program played a role in the latter.

---

<sup>3</sup> See Juning, et al. 2004.



## 2 Historical context of the Seila Program

### 2.1 *From repatriation to regeneration and local government reform*

The origins of the Seila<sup>4</sup> program grew out of the initial activities in 1992-1995 under the UNDP-CARERE<sup>5</sup> project in provinces bordering Thailand to repatriate and resettle refugees and internally displaced people. Given the extreme nature of the situation during this time and the urgent need for reintegration and rehabilitation, the activities were geared at quick infrastructure and settlements schemes rather than sustainable development.<sup>6</sup> While it was implemented at that time with little local participation, it nevertheless produced concrete outputs in specific areas at a time when urgency was required and generated important lessons regarding the unsustainability of the basic approaches used.

Realizing that a wholesale effort was needed to build horizontal management structures, participatory platforms at local level and design harmonized systems which combined with focused training would build integrity and confidence at sub-national level, the CAREER2 project, 1996-2001, was designed with the formulation of the Seila program as a specific objective. Focused on rehabilitation and regeneration and the piloting of decentralized approaches to planning, financing and implementation, the program supported the government's strategy for rural development as outlined in the first five-year plan of 1996-2000. The objectives of the program were poverty alleviation and spread of peace. While the CAREER project was initially financed by UNDP, introduction of the Seila program was done in collaboration with seven ministries, which made up the national Seila Task Force, with additional funding from Swedish Sida, and with UNOPS as executing agency. The focus from 1996 was on development and financing of integrated Provincial Development Plans and on piloting decentralization. The initial concept was of a hierarchy of Provincial, District, Commune and Village development committees, known as the Rural Development Structure, with initially a considerable focus on village planning and implementation. The goal of the Seila program was to promote sustainable poverty reduction by improving local governance. In accordance with capacity and resources, coverage expanded from 20 communes in five provinces in the first year to 500 out of a total of 1,621 communes in 11 of 24 provinces in year 2001. The program initiated the election of Village Development Committees in Cambodia and the formation of Commune Development Committees consisting of elected village representatives and chaired by the then government-appointed Commune Chief. In collaboration with provincial authorities, the program designed and adapted a system for participatory commune planning and prioritization of development projects as well as financial systems and implementation procedures. Commune Development Committees were trained in competitive bidding procedures to select local contractors for implementation of local projects identified.

At the time Seila was initially conceived in 1996, virtually all donor assistance to Cambodia operated outside of government through vertical management structures designed by donors for each project. The lack of a legal framework at sub-national level, the weaknesses within the government's own financial system and the lack of national budget allocations to the sub-national level meant that most provinces had very few resources to plan, manage and implement their own projects. The original objective of Seila was to design horizontal provincial and

---

<sup>4</sup> The Seila (meaning "cornerstone" in Khmer) program was a development of the UNDP CAREER project to support returning refugees after the Paris accord in 1991.

<sup>5</sup> CAREER was an abbreviation for Cambodia Repatriation and Rehabilitation project. For CAREER2 this became Cambodia Area Regeneration and Reconstruction Project.

<sup>6</sup> Ojendal and Rudengren 2002; Rusten et al 2004.

commune management structures and systems owned and operated by government that were acceptable to donors so that their assistance could directly finance activities designed by local authorities following national guidelines. Working closely with the Ministries of Interior (MoI), Economy and Finance (MoEF), Planning (MoP), and Rural Development (MRD), provincial structures and systems were designed, fully tested, and adopted by sub-decrees and prakas.

Encouraged by the success achieved during CARERE2/Seila, in January 2001 the Council of Ministers approved a second larger phase of Seila covering the period 2001-2005 which was subsequently extended for an additional year to end 2006. SIDA and UNDP were joined by DFID to fund the support project to the Seila program called Partnership for Local Governance (PLG). PLG was designed to provide technical and financial resources for: (i) refining the decentralized planning, financing, and management systems for service delivery and local development; (ii) providing discretionary budget support to province and commune authorities for investment in services and infrastructure; and (iii) contributing field tested lessons for national level policy and regulations for decentralization, deconcentration and poverty alleviation.

In 2001, Seila developed into an aid mobilization, management and harmonization mechanism supporting decentralization and deconcentration reforms through promotion of local development for poverty reduction and good governance. With assistance from the Seila program and the PLG support project, assistance to government institutions led to the development of comprehensive management systems and regulations now operational across the country in all communes, districts and provinces.

## *2.2 Seila coverage*

The number of provinces and communes supported by the Seila program increased far beyond and much sooner than originally conceived. From a starting point of 12 provinces (50%) and 509 communes (31%) in 2001, Seila was designed to gradually reach 17 provinces and 1,200 communes over five years. These targets were achieved by year two of the program in 2002 and, following the election of the Commune Councils in 2002 and at the request of the government, the program expanded by the middle of its third year, 2003, to cover all 24 provinces and 1,621 communes. While discussed at length between government and the PLG development partners, the logic for such a rapid expansion was clear. Following the adoption of the Law on Management and Administration of the Commune (LMAC) and the February 2002 Commune Elections, enormous expectations and challenges had been raised in all communes regarding the support required for the reforms to be implemented. While some interim arrangements were carried out in the non-Seila areas in 2002, it was clear that the inequity and dissatisfaction that would develop over time in provinces and communes not covered by Seila's comprehensive support program outweighed the risks of diminished quality from too rapid an expansion. As such, in agreement between the Seila Task Force and the National Committee for Support to Communes (NCSC)<sup>7</sup>, established by the LMAC, the RGC decided to use the resources mobilized by Seila to (i) support the work needed to design the new decentralized regulatory framework; (ii) plan and implement the training for the CS Councils and support staff; and (iii) fund a rapid expansion of the Seila program to full national coverage.

## *2.3 Seila management and tasks*

Seila consisted of the Seila Task Force (STF) with 10 member ministries and the Seila Task Force Secretariat (STFS) both of which were located in, but not institutionally part of, the Council for Development of Cambodia (CDC) which is responsible for aid coordination. The

<sup>7</sup> Chaired by H.E Sar Kheng, Deputy Prime Minister and Minister of Interior.



Seila program was instrumental in the establishment of a series of institutions and systems which today form the backbone of the decentralization and deconcentration reform. These institutions and systems are described in detail in Section B below.

The STFS was instrumental in mobilizing donor funds with support from the PLG project advisors. Funds mobilized included: domestic resources, channeled first through the Local Development Fund up to 2001 and subsequently through the Commune/Sangkat Fund as part of an annual allocation within the national budget; loan programs of the World Bank and IFAD, channeled through special accounts in the Ministry of Economy and Finance to the various levels of administration; and bilateral grants from seven development partners channeled either directly to the STFS or directly to sub-national authorities (see chapter 5). A Finance Unit in the STFS was assigned specific functions for all of the resources supporting the program and a Contract Administration Unit regulated all contracts between STFS and line ministries, and between STFS and the provincial governments. The STFS also maintained an M&E unit and a set of advisors who provided support across the board. The major work of the Seila program evolved around the support to the preparation and implementation of annual work plans and budgets (AWPB). Detailed AWPBs were formulated for each individual project, for each cooperating ministry, for each province and for each target district with a single Seila AWPB formulated consolidating the overall information from as many as 36 AWPBs per year.

The Seila program was guided by the overall principles of Dialogue, Clarity, Agreement and Respect which transpired all its conduct. Much of the support provided by Seila was to enhance transparency around decision making; help build in processes for consultation and dialogue prior to the making of decisions; enhancing partnership between government institutions and development partners. This forced Seila to be flexible in order to try to accommodate various needs and requirements yet allowing funds from a variety of sources to follow a single set of regulations.

## *2.4 Harmonized technical advisory services and program support*

The PLG Project (2001-2006) provided core donor support to the second phase of the Royal Government of Cambodia's Seila program (2001-2006). PLG was a UN-donor support project administered by UNDP, financed by UNDP and the Governments of Sweden and the United Kingdom, and executed by the Seila Task Force. The total budget of the project was \$ 58 million.

PLG resources covered investment, program support and technical cooperation to the Seila program. The technical cooperation component provided capacity support to all projects that used the Seila framework, and hence facilitated the program based approach which was an important feature of the Seila framework. The technical cooperation component was administered under UNOPS until the end of 2005 and by UNDP in 2006. The technical and financial resources under the PLG project were programmed annually to provide core support to national ministries, the Seila Task Force secretariat, provincial administrations and Commune Sangkat Councils for policy formulation, institutional strengthening, partnership formulation, capacity building, program support and strategic investments.

The PLG created an enabling framework that allowed for efficient and effective implementation of several AWPBs funded by other development partners for *investments* through the Seila program. Hence, an important output of the PLG framework was the common use of technical assistance across all projects that adopted all or part of the harmonized management structure and systems. It is estimated that this harmonized technical advisory support has saved an annual amount of USD 2 million which could be used for direct investment.

While PLG financial and technical support represented 12% of the total Seila program budget in 2002, further mobilization of funds and more effective technical advisory services reduced this percentage to 7% of the total budget in 2006.

Key tasks for PLG were tied to the annual workplan for the Seila framework. The foci were on strengthening systems and institutions at all levels of government; support to investments at commune, district and province; and support to policy development for decentralization and deconcentration.



## 3 Resource Mobilization and Programming

### 3.1 Roles of Donors

Through the Seila program, the government had several bilateral and multilateral partners. In addition to the PLG donors mentioned above, other bilateral partners were the Danish government (through Danida), the Australian government (through AUSAid), the Canadian government (through CIDA), the German Government (through GTZ). In addition to UNDP, multilateral partners to Seila included the World Bank, UNICEF, and the International Fund for Agricultural Development (IFAD). Two international NGO also partnered with the Seila program for some of their funds, i.e. Concern and Gret-Kosan. PLG provided technical support to all projects supporting the Seila program.

Common to all Seila donors was an invested interest in D&D and a concern that the appropriate levels of government implement appropriate activities. Until 2005, the focus was on the provincial level through PRDC, Excom and provincial line departments, and the commune level through the locally elected commune council. The district level was included for the first time as a planning level in 2005, when MOI decided to strengthen the district/khan level by allowing one district in each province to invest USD 20.000 based on the CDPs. As the district under current law is not a budget holding level, the funds were channeled through the PIF and followed PIF regulations, and the role of the district was to prioritize and make decisions on how to use the funds.

The major attention of the Seila donors was as follows:

**Table 1 : Respective Roles of Major Donor Partners**

Partner			Project goals
Donor	Project	Period	
RGC	C/S Fund	01-06	<i>Program support to national and provincial level; investment funds to all provinces and communes; support to development of legal framework; harmonized advisory services.</i>
UNDP, DFID, SIDA	PLG	01-06	<i>Reduce poverty through good governance</i>
WB	RILGP	03-06	<i>Local planning and investment; policy support and project management</i>
IFAD	RPRP	04-10	Investments in agricultural development, local infrastructure, and institutional support.
	ADESS	01-06	Agricultural development, rural micro-finance, institutional development.
	CBRDP	01-07	Community development, agricultural and livestock development, rural infrastructure, and institutional development
Denmark-Danida	NREM mainstream	03-04	Mainstreaming natural resource management into the commune development planning process
	CCB-NRM	04-06	Investment in natural resource management projects at province, district and commune level, capacity building in NRM.
UNICEF/Seth Koma	Seth Koma	03-06	<i>Local governance for the promotion of child rights; water and environmental sanitation</i>
Canada-CIDA	ADMAC	06-09	<i>Agricultural extension and mine action</i>
Australia CAAEP	CAAEP	04-06	Agricultural development planning as part of the CDP process based on agro-ecological analysis and improved technology packages.

Funds to the CSF (i.e. from the domestic revenue, and from Dfid and Sida) are transferred through the national treasury system to the provincial treasury where each commune holds a commune account. Dfid and Sida transfer funds to UNDP which transfers to a special account in Seila. Seila transfers to the CSF in the national treasury.

Danida and IFAD transfer funds to special accounts in Seila, and Seila transfers directly to the FU (provincial treasury) in Excom where all communes have their account. Danida and IFAD funds will here be merged with the CSF.

The World Bank does not transfer funds to the communes but reimburses the government for CSF spending through a loan agreement.

### *3.2 Programming Through the Seila Annual Work-Plan and Budget*

Seila mobilized more than US \$ 185 million from 2001. The funds were from (i) the national budget (2.56% of domestic revenue to the Commune/Sangkat Fund). The government contribution tripled from USD 5.6 million in 2001 to USD 17 million in 2006; (ii) loans from IFAD and the World Bank, (iii) bilateral and multilateral grants from Sida, Dfid, UNDP, and Danida; and (iv) partnership agreements between donors and individual ministries where STFS was party to the MOU. These donors were GTZ, UNICEF, Canada, Australia and some NGOs.

As the programme developed and expanded, and additional donors opted in to the Seila framework, the task of ensuring harmonization and complementarity between the different fund sources became increasingly complex and important. This task was achieved through the mechanism of the Seila Annual Work-Plan and Budget (SAWPB). The SAWPB may be thought of as:

- A process through which multilateral discussions between donors and government took place, coordinated with assistance from PLG project advisors, and where agreement was reached on the allocation of resources to spending institutions and budget categories for the following year. The relevant institutions then programmed these resources against planned activities;
- A document describing in summary all the resources mobilized under the Seila framework for the year, by donor, spending institution and budget category. This document was approved by signature of the Chair of STF and Senior Minister for Economy and Finance H.E. Keat Chhon. The SAWPB differed from a conventional project AWPB in that it did not represent the primary approval by government and donor; but consisted in the main of a summary of the contents of project-specific AWPB documents for each project / resource within the Seila framework.

Based on the Seila Programme Document, resources were programmed against the general budget categories of Investments, Programme Support and Technical Assistance.

Within the Investments category, the following sub-categories were used:

1. Commune/Sangkat Fund (C/S Fund or C/S F): the fiscal transfer mechanism operated by the Government from 2002 onwards to transfer national budget and donor resources to the Commune / Sangkat Councils;
2. Commune Other: this category included funds allocated to individual C/S Councils either through the official Council budget but additional to the C/S Fund allocation; or through parallel funding arrangements, by a variety of donors;



3. District Investments. This category was not used until the final year of Seila, 2006.
4. Provincial Investment Funds. These were discretionary funds allocated to PRDC-ExCom and programmed to priority activities at provincial level.
5. Deconcentrated Sector Funds. These were investments funded through sectoral projects under a national agency (usually a line Ministry) but implemented through the deconcentrated financing and implementation arrangements of the Seila Programme;
6. National Ministry Services. These were funds allocated to national Ministries to support activities related to the deconcentration and decentralisation policy agenda.

Within the Programme Support category the following categories were used:

1. Commune. This category was only used in 2001. Following the election of the C/S Councils and the creation of the C/S Fund, operations costs and salaries at commune level were funded by the Administration Component of the C/S Fund;
2. Province. This category included the salary supplements and operations costs of the PRDC-ExComs, and support costs (excluding salaries) of the provincial advisory teams. Support to capacity building of C/S Councils and to a variety of programme activities was also included for administrative convenience in this category.
3. National Programme Support. This category comprised salaries, operating costs and programme support activities of the Seila Task Force Secretariat.

Technical Assistance costs were categorised by level (provincial / national); by function (governance support / sectoral technical assistance) and / or by contract type (international / national TA). Resources for consultant services for short-term policy studies, evaluations and audits were programmed separately from long-term advisory services.

Given the wide variety of funding mechanisms and activities the borders of these budget categories were necessarily somewhat flexible and were not applied fully consistently from year to year. The following table summarizes with the best possible accuracy the budget allocations of the SAWPB documents from 2001 through 2006, by donor and budget category.

Table 3.2 on the following pages summarizes the resources reflected in the SAWB from 2001 to 2006 by donor and budget category.

Table 2 : SUMMARY OF SEILA ANNUAL WORK-PLAN AND BUDGET RESOURCES

BUDGET CATEGORY AND DONOR	2001	2002	2003	2004	2005	2006	Total
<b>INVESTMENTS CATEGORY</b>							
<b>1. COMMUNE INVESTMENTS</b>							
<b>1.1 C/S Fund</b>							
RGC		3,528,848	10,256,410	12,500,000	9,669,400	10,979,024	46,933,682
PLG		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
World Bank				0	4,855,600	6,000,000	10,855,600
<i>Subtotal</i>	0	5,528,848	12,256,410	14,500,000	16,525,000	18,979,024	67,789,282
<b>1.2 Commune Other</b>							
PLG	510,303						510,303
World Bank	500,000						500,000
RGC	1,447,368					102,420	1,549,788
IFAD				398,436	1,164,651	1,945,968	3,509,055
DANIDA				70,000	121,000	576,810	767,810
UNDP-DSP					250,000		250,000
UNICEF		304,000	918,964		87,265	235,500	1,545,729
Others		190,304			333,000	160,895	684,199
<i>Subtotal</i>	2,457,671	494,304	918,964	468,436	1,955,916	3,021,593	9,316,884
<i>Subtotal Commune Investments</i>	2,457,671	6,023,152	13,175,374	14,968,436	18,480,916	22,000,617	77,106,166
<b>2. PROVINCIAL INVESTMENTS</b>							
<b>2.1 Provincial Investment Fund</b>							
PLG	942,737	912,938	2,122,777	2,410,398	2,659,056	2,788,083	11,835,989
DANIDA			202,205	180,000	307,060	619,609	1,308,874
UNICEF				1,106,581	1,546,418	1,532,276	4,185,275
France (MIREP)						150,000	150,000
Canada					83,206		83,206
Others			185,000		10,000		195,000
<i>Subtotal</i>	942,737	912,938	2,509,982	3,696,979	4,605,740	5,089,968	17,758,344
<b>2.2 National Sector Programs</b>							
RGC			289,407	437,802	343,345	460,201	1,530,755
IFAD	3,443,545	5,316,878	4,305,974	5,445,801	3,921,992	4,054,945	26,489,135
Germany			205,426	142,746	170,556		518,728
Danida				859,800	122,766		982,566
Canada						830,361	830,361
Australia			443,544	320,800	156,135	358,400	1,278,879
SFKC	598,077						598,077
<i>Subtotal</i>	4,041,622	5,316,878	5,244,351	7,206,949	4,714,794	5,703,907	32,228,501
<i>Subtotal Provincial Investments</i>	4,984,359	6,229,816	7,754,333	10,903,928	9,320,534	10,793,875	49,986,845
<b>3. NATIONAL MINISTRY SERVICES</b>							
PLG	409,282	407,000	335,000	350,000	450,000	600,000	2,551,282
IFAD	191,458	239,380	177,283	257,991	192,096	226,479	1,284,687
DANIDA			9,000	73,100	62,422	100,000	244,522
UNICEF					162,000	170,000	332,000
Canada						33,401	33,401
<i>Subtotal Ministry Services</i>	600,740	646,380	521,283	681,091	866,518	1,129,880	4,445,892
<b>TOTAL INVESTMENTS</b>	<b>8,042,770</b>	<b>12,899,348</b>	<b>21,450,990</b>	<b>26,553,455</b>	<b>28,667,968</b>	<b>33,924,372</b>	<b>131,538,903</b>



PROGRAM SUPPORT CATEGORY							
1. PROVINCIAL PROGRAM SUPPORT							
RGC			197,993	104,012	91,222	96,840	490,067
PLG	1,202,847	2,062,199	2,836,280	3,276,113	3,227,770	3,240,263	15,845,472
IFAD	200,000	172,090	252,342	590,568	566,837	418,876	2,200,713
DANIDA				120,000	120,000	869,358	1,109,358
UNICEF				110,658	65,690	257,100	433,448
Canada					12,230	26,760	38,990
Germany			34,100	142,922	101,746		278,768
World Bank				1,017,200			1,017,200
Others						4,852	4,852
<i>Subtotal Provincial Program Support</i>	<i>1,402,847</i>	<i>2,234,289</i>	<i>3,320,715</i>	<i>5,361,473</i>	<i>4,185,495</i>	<i>4,914,049</i>	<i>21,418,868</i>
2. NATIONAL PROGRAM SUPPORT							
PLG	150,000	557,622	935,000	615,500	823,167	850,000	3,931,289
IFAD	10,708	10,708	8,836	63,948	53,548	84,150	231,898
World Bank				76,000	15,000	15,000	106,000
DANIDA				179,850	102,651	66,394	348,895
<i>Subtotal National Program Support</i>	<i>160,708</i>	<i>568,330</i>	<i>943,836</i>	<i>935,298</i>	<i>994,366</i>	<i>1,015,544</i>	<i>4,618,082</i>
<b>TOTAL PROGRAM SUPPORT</b>	<b>1,563,555</b>	<b>2,802,619</b>	<b>4,264,551</b>	<b>6,296,771</b>	<b>5,179,861</b>	<b>5,929,593</b>	<b>26,036,950</b>
TECHNICAL ASSISTANCE							
1. PROVINCIAL ADVISORY TEAMS							
PLG	695,964	1,506,180	1,566,560	1,861,165	1,947,080	1,726,965	9,303,914
Germany	594,351	1,669,972	1,665,600	1,770,485	837,800	802,800	7,341,008
DANIDA	0	0	101,790	198,080	159,650	306,500	766,020
UNICEF	0	0	0	0	150,000	150,000	300,000
Australia	0	0	579,314	445,834	280,000	0	1,305,148
<i>Subtotal Provincial Advisory Teams</i>	<i>1,290,315</i>	<i>3,176,152</i>	<i>3,913,264</i>	<i>4,275,564</i>	<i>3,374,530</i>	<i>2,986,265</i>	<i>19,016,090</i>
2. NATIONAL ADVISORY TEAM							
PLG	442,500	1,417,880	1,317,900	986,508	933,150	1,013,705	6,111,643
DANIDA	0	0	80,000	190,000	144,895	262,750	677,645
UNICEF	0	0	0	0	145,000	150,000	295,000
<i>Subtotal National Advisory Teams</i>	<i>442,500</i>	<i>1,417,880</i>	<i>1,397,900</i>	<i>1,176,508</i>	<i>1,223,045</i>	<i>1,426,455</i>	<i>7,084,288</i>
3. CONSULTANT SERVICES							
PLG				150,000	200,000	150,000	500,000
DANIDA				235,000	92,000	100,000	427,000
IFAD					85,000		85,000
UNICEF					50,000		50,000
World Bank				216,000	342,000	186,000	744,000
<i>Subtotal Consultant Services</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>601,000</i>	<i>769,000</i>	<i>436,000</i>	<i>1,806,000</i>
<b>TOTAL TECHNICAL ASSISTANCE</b>	<b>1,732,815</b>	<b>4,594,032</b>	<b>5,311,164</b>	<b>6,053,072</b>	<b>5,366,575</b>	<b>4,848,720</b>	<b>27,906,378</b>
<b>GRAND TOTAL RESOURCES</b>	<b>11,339,140</b>	<b>20,295,999</b>	<b>31,026,705</b>	<b>38,903,298</b>	<b>39,214,404</b>	<b>44,702,685</b>	<b>185,482,231</b>

Table 3.3 summarizes all AWPB resources by budget category.

Table 3 : Summary of Seila AWPB By Budget Category		
Category	Total Resources	% of total
<b>INVESTMENTS</b>		
<b>1. Commune Investments</b>		
1.1 C/S Fund	67,789,282	37%
1.2 Commune Other	9,316,884	5%
<i>Subtotal for Commune Investments</i>	<i>77,106,166</i>	<i>42%</i>
<b>2. Provincial Investments</b>		
2.1 Provincial Investment Fund	17,758,344	10%
2.2 Deconcentrated Sector Projects	32,228,501	17%
<i>Subtotal for Provincial Investments</i>	<i>49,986,845</i>	<i>27%</i>
<b>3. National Ministry Services</b>	<b>4,445,892</b>	<b>2%</b>
<b>TOTAL INVESTMENTS</b>	<b>131,538,903</b>	<b>71%</b>
<b>PROGRAMME SUPPORT</b>		
Provincial Programme Support	21,418,868	12%
National Programme Support	4,618,082	2%
<b>TOTAL PROGRAMME SUPPORT</b>	<b>26,036,950</b>	<b>14%</b>
<b>TECHNICAL ASSISTANCE</b>		
Provincial Advisory Teams	19,016,090	10%
National Advisory Services	7,084,288	4%
Consultant Services	1,806,000	1%
<b>TOTAL TECHNICAL ASSISTANCE</b>	<b>27,906,378</b>	<b>15%</b>
<b>GRAND TOTAL RESOURCES</b>	<b>185,482,231</b>	<b>100%</b>

Table 3.4 summarizes resources by donor and year and shows the participation of an increasing number of donor partners in the Seila resource mobilisation framework during the period of the programme. The final row of the table shows the number of donor partners committing resources of more than US \$ 1.5 million each year, increasing from two in 2001 to six in 2006.

Table 4 : Summary of SAWPB Resources By Donor								
Donor	2001	2002	2003	2004	2005	2006	Total	%
Australia	-	-	1,022,858	766,634	436,135	358,400	2,584,027	1.4%
Canada	-	-	-	-	95,436	890,522	985,958	0.5%
DANIDA	-	-	392,995	2,105,830	1,232,444	2,901,421	6,632,690	3.6%
France (MIREP)	-	-	-	-	-	150,000	150,000	0.1%
Germany	594,351	1,669,972	1,905,126	2,056,153	1,110,102	802,800	8,138,504	4.4%
IFAD	3,845,711	5,739,056	4,744,435	6,756,744	5,984,124	6,730,418	33,800,488	18.2%
PLG	4,353,633	8,863,819	11,113,517	11,649,684	12,240,223	12,369,016	60,589,892	32.7%
RGC	1,447,368	3,528,848	10,743,810	13,041,814	10,103,967	11,638,485	50,504,292	27.2%
SFKC	598,077	-	-	-	-	-	598,077	0.3%
UNDP-DSP	-	-	-	-	250,000	-	250,000	0.1%
UNICEF	-	304,000	918,964	1,217,239	2,206,373	2,494,876	7,141,452	3.9%
World Bank	500,000	-	-	1,309,200	5,212,600	6,201,000	13,222,800	7.1%
Others	-	190,304	185,000	-	343,000	165,747	884,051	0.5%
<b>Total AWPB</b>	<b>11,339,140</b>	<b>20,295,999</b>	<b>31,026,705</b>	<b>38,903,298</b>	<b>39,214,404</b>	<b>44,702,685</b>	<b>185,482,231</b>	<b>100%</b>
<i>Donors &gt;\$1.5M</i>	<i>2</i>	<i>4</i>	<i>4</i>	<i>5</i>	<i>5</i>	<i>6</i>	<i>8</i>	



Table 3.5 illustrates the harmonization of donor resources by showing the proportion of each resource category funded by each donor. The core role of PLG in supporting 76% of all programme support costs and 57% of technical assistance (and a considerably higher proportion of the core TA, as the other major donors, Germany and Australia-CAAEP project, provided mainly sectoral experts) permitted the donor partners to concentrate on investments. As well as being financially and administratively efficient this arrangement was politically useful given the sensitivities surrounding funding of technical assistance from loan funds.

Table 5: Proportion of Resources By Budget Category and Donor								
Donor	Investments				Programme Support			Technical Assistance
	Commune	Province	National	Total	Province	National	Total	
Australia	0%	3%	0%	1%	0%	0%	0%	5%
Canada	0%	2%	1%	1%	0%	0%	0%	0%
DANIDA	1%	5%	5%	3%	5%	8%	6%	7%
France (MIREP)	0%	0%	0%	0%	0%	0%	0%	0%
Germany	0%	1%	0%	0%	1%	0%	1%	26%
IFAD	5%	53%	29%	24%	10%	5%	9%	0%
PLG	14%	24%	57%	19%	74%	85%	76%	57%
RGC	63%	3%	0%	38%	2%	0%	2%	0%
SFKC	0%	1%	0%	0%	0%	0%	0%	0%
UNDP-DSP	0%	0%	0%	0%	0%	0%	0%	0%
UNICEF	2%	8%	7%	5%	2%	0%	2%	2%
World Bank	15%	0%	0%	9%	5%	2%	4%	3%
Others	1%	0%	0%	1%	0%	0%	0%	0%
All Donors	100%	100%	100%	100%	100%	100%	100%	100%

## **SECTION B: SEILA ACHIEVEMENTS IN INSTITUTIONAL DEVELOPMENT**

---

### **4 Establishment and Strengthening of Institutions for Deconcentration and Decentralisation**

#### **4.1 *The Seila Institutions***

##### **4.1.1 Mandate**

The Seila Program was executed through a set of institutions which were mandated by Sub-Decree No 57 ANKR.BK in June 2001. Most of these institutions already existed at this date, having been created under the Seila/CARERE program, but the Seila institutions underwent considerable change and evolution both at the outset of the second phase and during the program period.

The Seila Program institutions were sometimes described as parallel to government. This was not a fair representation. It is truer to say that the Seila management structure was created by government to play a role that could not be performed under the existing mandate of any existing permanent institutions. In particular:

When the management system was designed there was no horizontal management structure and there were no systems in place at provincial/municipal level to oversee multi-sectoral planning, budgeting, programming and contracting as well as support functions to the C/S Councils. Nearly all of the functions carried out under the management structure were in line with institutional mandates. The Governor was the overall authority and financial approving officer for contracts and payments; finance systems were managed by the Departments of Finance and Treasury; the Local Administration Unit, which Seila and PLG helped to establish and finance within the Sala Khet/Krong, eventually was institutionalized under the mandate of Ministry of Interior/Department of Local Administration; Department of Planning oversaw provincial planning; and all sectoral activities were carried out by the mandated sector departments. The terms of reference for the provincial/municipal management structures were designed and revised annually through interaction between national and provincial/municipal authorities and agreed at national workshops held every year in September.

The Seila institutions were wholly Government-owned and with Government mandates to perform official functions including issuance of regulatory instruments at the appropriate levels. However, they were not intended to become permanent institutions of government but to fill a temporary need in executing the Seila Program, piloting approaches to deconcentrated and decentralized development, and allowing external donors to channel resources to the sub-national level through a harmonized system meeting required standards of transparency and accountability.

##### **4.1.2 Seila Task Force**

Seila Task Force was an inter-Ministerial committee first established by sub-decree in 1998. STF was chaired by the Minister for Economy and Finance and included representatives of eight Ministries as well as the Council for Administrative Reform and the Council for Development of Cambodia (see box). The mandate of Seila Task Force was to mobilise resources for support to deconcentration and decentralisation, to manage the Seila Program including approval of the Seila Annual Work-Plan and Budget (SAWPB), to monitor, evaluate and issue progress reports and to conduct capacity building activities. All day-to-day work of the Seila Task Force was conducted by the Seila Task Force Secretariat (below).



#### Membership of The Seila Task Force 2001 - 2006

1. Minister of Economy and Finance	Chairman
2. Minister of Water Resources and Meteorology	Deputy Chairman
3. Secretary of State, Ministry of Rural Development	Deputy Chairman
4. Secretary of State, Ministry of Planning	Member
5. Under-Secretary of State, Ministry of Agriculture Forestry and Fisheries	Member
6. Under-Secretary of State, Ministry of Woman's and Veterans Affairs	Member
7. Under-Secretary of State, Ministry of Social Affairs and Labor	Member
8. Director-General, Department of General Administration, Ministry of Interior	Member
9. Deputy Secretary General of the Council for Administrative Reform	Member
10. Deputy Secretary-General of CDC, Secretary-General of CRDB	Secretary General

### 4.1.3 Seila Donor Forum

The Seila Donor Forum was established under the same sub-decree as STF and consisted of periodic meetings between the Government and all donors contributing to or associated with the Seila Program.

### 4.1.4 Seila Task Force Secretariat

The Seila Task Force Secretariat (STFS) was established to execute the Seila Program. It was staffed by civil servants seconded from line Ministries by a mixture of secondment and competitive recruitment. STFS was divided into two functional units: the Program Operations and Unit and the Policy, Monitoring and Evaluation Unit, each having status equivalent to a department of a line ministry.

### 4.1.5 Seila Task Force Ministries and Focal Points

Each Seila Task Force Ministry established a Focal Point, usually assisted by two or three staff, to be responsible for coordination between the Ministry and STFS. STFS funded activities of the Ministries in support of deconcentration and decentralisation through annual contracts implemented by the focal points. The focal points met periodically at STFS to discuss issues of common interest and to coordinate Ministry participation in monitoring Seila implementation at the sub-national level.

The activities and achievements of the Seila Ministry Focal Points are described further below.

### 4.1.6 Provincial Rural Development Committee

#### 4.1.6.1 Background and Purpose of PRDC Structure

Provincial (and Municipal) Rural Development Committees (PRDC) were first established in Cambodia in 1994 through a sub-decree prepared by the Ministry of Rural Development. Under the CARERE 1 project, the first attempt to capitalize on this sub-national coordinating body was made particularly in relation to overseeing the election of and support to Village Development Committees in the northwest provinces. In the post-UNTAC period, the centralization of authority and revenue were seen to be vital to the establishment of the State. The consequence of this, however, was the disempowerment of sub-national authorities which had enjoyed a certain level of autonomy under the State of Cambodia. Caught in the web of multiple lines of vertical authority from line Ministries and with no budget with which to develop plans and make decisions, the provincial authorities were being sidelined just as



significant levels of external aid were beginning to flow into the country. At the local level, there was a complete absence of participatory platforms with which to engage the population in local planning, prioritization and decision making. As such, the initial creation of the PRDC and the subsequent first wave of elections of Village Development Committees in 1994 was seen as an opportunity for the CARERE project to begin to align itself with a government mandated structure, based on participatory principles and begin the long process of building systems and capacity which would hopefully one day enable the sub-national authorities to assume greater ownership and management of their own development.

With the design of the CARERE2 project and the initial formulation phase of the Seila Program in 1995, it became clear that the PRDC as an instrument of one Ministry, the Ministry of Rural Development, would never be able to realize its potential as a horizontal, coordinating mechanism across institutions. The proposed establishment of the inter-ministerial, Seila Task Force, to oversee the design and piloting of decentralization, was meant to overcome the tendency for a single institution to capture the lead agency role at the expense of inter-ministerial dialogue and coordination. With the Minister of Economy and Finance eventually appointed as the Chair and the Secretary of State of the Ministry of Interior as the Deputy Chair of the initial STF, the two most important institutions related to the experiment in governance reform also became the overseers of the PRDC and its transformation over time. As such, while the PRDC was initially created as a sub-national coordinating arm under the Ministry of Rural Development, it was developed under the inter-ministerial Seila Task Force into a horizontal, provincial coordinating body overseeing the pilot phase of decentralized governance and local development.

The mandated authority, composition and terms of reference of the PRDC under the Seila Program evolved over time. During the period 1996-1998, when the national government was preoccupied with political crisis and reconciliation, this was carried out horizontally through inter-provincial dialogue and workshops and meetings between the governors in the first five target provinces. Subsequently, with the establishment of the Seila Task Force and its Secretariat in 1999, this was carried out through national workshops with agreements turned into sub-decrees. As such, the sub-national authorities were responsible for the initial definition of the composition, management structure and roles and responsibilities of the PRDC and its Executive Committee which was eventually authorized and revised continuously under the authority of the Seila Task Force. While PRDCs nominally existed in all 24 provinces/municipalities under the original sub-decree of 1994, in practice they were only operational in the provinces supported by the Seila Program which had, as one of its core objectives, the strengthening of sub-national management and governance. By the end of 2000, the PRDC and its Executive Committee structure had been established in 11 provinces/municipalities supported by Seila and were collectively managing the preparation of annual work plans and budgets valued at \$ 15 million; providing capacity building support and facilitation to over 500 Commune Development Committees for their own preparation of annual plans and budgets; administering the implementation of line department contracts signed by the Governor and financed through the Provincial Investment Fund; and directly managing the financing, contracting and implementation systems which were beginning to be adopted by several development partners.

With the adoption of the Law on Management of the Commune Administration in 2001 and the historic election of Commune/Sangkat Councils in February 2002, the Governor was delegated a considerable responsibility by the national government for the provision of support to elected Commune/Sangkat Councils. With the exception of the provinces supported by Seila, there was no established structure in place with defined terms of reference and functional management systems with which the Governor could exercise his mandated responsibilities. The structure and terms of reference of the PRDC and its Executive Committee were revised once again in light of the law and the emerging regulatory framework to cover the responsibilities related to support to the C/S Councils. At the request of the Deputy Prime Minister in the September 2002



Seila National Workshop, agreement was reached to rapidly expand the coverage of Seila to the entire country. This was achieved by mid-2003 and since then the PRDC and ExCom structure have been operating in all 24 provinces/municipalities.

The structure and terms of reference of the PRDC and its Executive Committee were established by sub-decree signed by the Prime Minister and have always operated under a Government mandate. In addition, the management systems, which as of end 2006 were governing the implementation of nearly \$ 60 million per year through roughly 5,000 individual contracts/subcontracts, were designed with government; continuously reviewed, revised and strengthened; and eventually mandated through sub-decrees and prakas signed by the Minister of Economy and Finance. The establishment of the PRDC and its Executive Committee was intended to: 1) develop fundamental practice and experience in decentralized governance; 2) harmonize to the maximum extent possible the multiple lines of project financing introduced by donors and government thus enhancing efficiency and effectiveness; 3) enhance ownership and participation both within government and between government, local authorities and civil society; and 4) improve the processes associated with budgetary allocations, planning, implementation and the coordination of development efforts within the various administrative territories of the country.

The PRDC ExCom has, nevertheless, always been conceived of as a temporary structure which would eventually need to be restructured and institutionalized when the D&D reform process reached a level of maturity and established a new legal framework for sub-national governance. The PRDC and ExCom had been criticized by some as being parallel structures to government and given that development partners continued to channel their external financing outside of the national budget and treasury system this was to an extent true. However, as there was no confidence on the part of donors in the cash-based treasury system and the reform of the treasury system was seen, and has proven to be, a very long term effort, the PRDC ExCom provided the opportunity to design modern systems in accordance with international standards backed by MIS features nearly all of which did not exist in the prevailing government system and all of which are owned and operated by government. In recognition of longer term governance objectives backed by legal frameworks, following the establishment of elected commune councils and the Commune/Sangkat Fund, Seila took the lead in providing technical and financial support to the design of the decentralized regulatory framework, which has been institutionalized within the national budget and treasury system, while ensuring that the horizontal management and coordination mechanism of the PRDC/ExCom continued to provide the necessary oversight.

The PRDC did not implement development activities directly. Rather, it received funds through contracts and agreements with national level institutions including STF and line Ministries implementing projects with a sub-national investment component, and directly from donor agencies, and allocated these funds through a unified annual work-plan and budget to activities selected according to national guidelines, provincial priorities and criteria specific to the funding source. Some fund sources had greater discretionary flexibility than others and the effect of the integrated planning was to extend fungibility to the whole. These investment funds were then disbursed through execution of contracts with implementing agencies, mainly line departments.

PRDC was also responsible for channelling, monitoring and reporting on most donor support to the C/S Councils. It is notable that even donor projects which were "outside" the Seila framework relied heavily on the PRDC capacity and resources to extend effective assistance to the local government level.

PRDC had an additional role as a focal point for development activities in the province or municipality, discharged through liaison, partnership building, sharing of information,

facilitating communication with local authorities and through hosting of Provincial Development Forums.

Noting that the PRDC itself was more of a forum than an operational body, from 1998 the Seila/CAREERE program established the Executive Committee ("ExCom") structure under the PRDC charged with the day to day responsibility for executing decisions taken by the PRDC. This consisted of a smaller committee, also chaired by the Governor, with initially the Director of Rural Development as deputy chairperson, the Director of Planning as Permanent Member and the Directors of Finance, Women's Affairs and Agriculture as members. Four operational units were established under the ExCom with assigned functions related both to support to the commune and to management of provincial development and in line with national institutional mandates; the Local Capacity Building Unit (which eventually became the Local Administration Unit); the Contract Administration Unit; the Finance Unit and the Technical Services Unit.

The terms of reference and institutional responsibilities under the ExCom units evolved over time as the early decentralization reforms took place. The lead role for provision of support to the commune level at the beginning of the pilot phase, 1996-97, was assigned to the Department of Planning owing to the initial concentration on local planning. As coverage expanded to more and more communes and the level of investment resources managed by the communes grew, the lead role was transferred to the Department of Rural Development in 1998 owing to the expanded focus on implementation and the quality of investments. Finally, with the adoption of the Commune Law, the establishment of the Department of Local Administration in the Ministry of Interior and the election of Commune/Sangkat Councils in 2002, the lead role for support to the communes was transferred to the newly established Local Administration Unit under the Sala Khet.

The Finance Unit, which has always been managed by the Department of Finance, established a new structure with the adoption of the Commune Law, the establishment of the C/S Fund and the decision to convert the Local Development Fund in US Dollars to the C/S Fund in Cambodian Riels. The chief of the provincial treasury was appointed as Deputy Chief of the Finance Unit and managed a team of C/S accountants administering the C/S Fund.

The Contract Administration Unit, handling the administration of investment contracts with line departments, program M&E and information has always been managed under the Department of Planning.

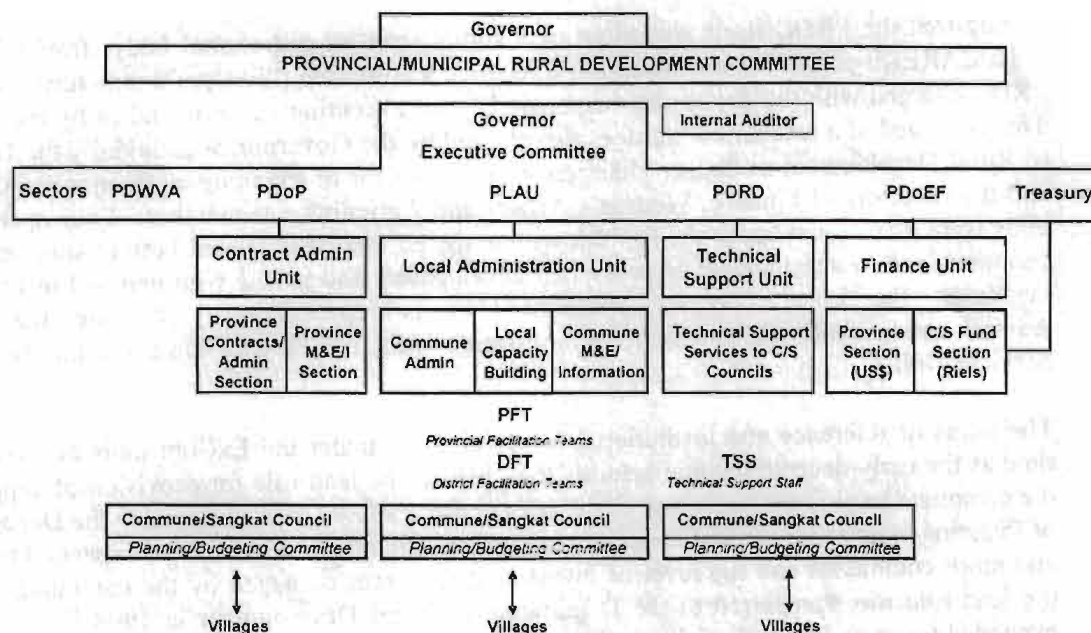
Finally, the Technical Support Unit, managing the provision of engineering services to the CS Councils and some infrastructure projects of provincial line departments, has always been managed by the Provincial Department of Rural Development.

A detailed terms of reference for the PRDC-ExCom, issued under the authority of Prakas 292-STF of 8 November 2002, specified the management arrangements, the structure and the functions to be carried out by the roughly 1,700 civil servants employed full time under the four ExCom Units in the 24 provinces. In addition, specific job descriptions for each of the positions within the ExCom were developed and attached to annual contracts for each staff member.

The table on the following page reflects the PRDC and ExCom structure in the final years of the Seila Program.



## PROVINCIAL/MUNICIPAL MANAGEMENT STRUCTURE



### 4.1.6.2 Functions of the Provincial / Municipal Rural Development Committee

The principal roles of the PRDC itself were concerned with planning and budgeting. The PRDC reviewed and approved the Provincial Development Plan and the allocation of Provincial Investment Fund resources to implementing departments. The functions of PRDC specified in Prakas 292-STF were:

- Review the indicative planning figures and approve Provincial/Municipal development plans;
- Review and sign the annual work plan and budget in accordance with guidelines and national criteria and submit to the Seila Task Force for approval;
- Approve the sector allocation and program support budgets in accordance with the Seila workplan and budget;
- Promote and support effective collaboration between government institutions, the private sectors, civil society and national/international development agencies in the planning and management of the Provincial/Municipal development;
- Support the implementation of decentralization and deconcentration and other policies in accordance with national level guidance;
- Mainstream gender and natural resource and environment strategies within the development plans of the Seila Program.
- Review and endorse progress reports on the implementation of the annual work plan and budget and submit to the Seila Task Force.
- Membership and Functions of the Executive Committee of PRDC
- The membership of PRDC-ExCom as defined by Prakas 292-STF comprised the Governor as chair and a Deputy Governor as first deputy chair, the Director of Rural Development as second deputy chair and the Directors of Planning, Finance, Agriculture, Water Resources, Women's Affairs, Provincial Treasury and the Chief of the Local Administration Unit as members. One member was to be appointed as Permanent Member with responsibility to oversee administrative matters and to approve expenditures of up to US \$ 1,000. In most provinces this post was filled either by the Director of Planning or by the Chief of LAU.

The principle functions of ExCom were:

- financial management and reporting of funds received from STFS, from project support units in national Ministries and directly from external donors;
- formation, administration and monitoring of contracts between PRDC and implementing departments;
- support and capacity building to Commune / Sangkat Councils through the Local Administration Unit and the Technical Support Unit.

ExCom meetings were held on an average of once per month in most provinces although the frequency of meetings varied considerably. Day-to-day activities were carried on by the four management units under the direction of the Permanent Member. The structures and functions of the management units are described in the following sections.

#### **4.1.6.3 ExCom Contract Administration Unit**

The Contract Administration Unit (CAU) was under the supervision of the Director of Planning. The unit was managed by a Chief and a Deputy Chief. In some provinces the position of Chief of CAU was combined with that of Permanent Member. The Chief was responsible for overall management and specifically for contract administration tasks. The Deputy Chief was responsible for monitoring, evaluation and information.

Broadly, the CAU's responsibilities fell under three categories:

- execution of the annual workplan and budget through contracts with line departments;
- internal administration of ExCom including personnel, vehicles, equipment, buildings etc, and also overseeing procurement;
- monitoring, evaluation and information tasks.

#### **4.1.6.4 ExCom Local Administration Unit**

The ExCom Local Administration Unit (LAU) was under the supervision of the Chief of the Provincial Local Administration Unit. The Unit was managed by a Chief who was responsible for overall management and capacity building, and a Deputy Chief who assisted with management of the Provincial and District Facilitation Teams and with monitoring and evaluation tasks. The staff of the unit consisted of the Provincial Facilitation Team (PFT) and District Facilitation Team (DFT) who were responsible for providing support services to Commune / Sangkat Councils and to facilitate the communication between the Councils and the Provincial / Municipal authorities.

The roles of the LAU were defined as:

- Capacity building of the Councils;
- Monitoring and evaluation of the performance and capacity of the Councils
- Promoting collaboration and partnership between Councils and technical departments.

In practice the DFTs, who were appointed at the ratio of one per three Communes / Sangkats, performed a wide range of functions in support of the development planning, administration and project implementation tasks of the Councils, and in facilitating communication and coordination between the Councils and the Provincial level.

LAU was responsible for maintaining databases on Commune development planning (CDPD) and project implementation (PID).

LAU also had the task of coordinating the natural resource and environmental management (NREM) functions of the Councils, particularly in those Provinces implementing the Danida CCB-NREM project. The Technical Facilitation Teams (TFT) for NREM were brought under the management of LAU in 2005.



#### **4.1.6.5 ExCom Finance Unit**

The ExCom Finance Unit (FU) was supervised by the Department of Economy and Finance and the Provincial Treasury. The Director of Finance was the Unit Chief and the Chief of Treasury was the Deputy Chief of the unit.

The Finance Unit performed financial management tasks on behalf of ExCom including maintaining accounting records, managing bank accounts and making all payments from ExCom resources except for those made from petty cash. In general, one bank account was opened for each donor account each year. From 2004 the Peachtree accounting software was in general use by ExCom Finance Units, representing a major advance over the previous manual and spreadsheet-based accounting systems.

Commune / Sangkat accountants, who were staff of Provincial / Municipal Treasury, received salary supplements as members of ExCom Finance Unit. However, management of these staff was entirely within the authority of the Treasury. In many provinces the practice was to share the salary supplements amongst the whole staff of Treasury rather than being paid to the nominated individuals. The accountability of these staff was somewhat weaker than was the case elsewhere in the ExCom structure. The linkage between the ExCom structure and the Provincial Treasury did however achieve a much greater level of openness, communication and responsiveness in the performance of the accounting and cashiering functions of Treasury on behalf of the C/S Councils, than would have been likely otherwise.

#### **4.1.6.6 ExCom Technical Support Unit**

The Technical Support Unit (TSU) was managed by the Provincial Department of Rural Development. The Unit Chief was the Director or a Deputy Director of Rural Development. There was a Deputy Director who was to be responsible for technical matters; i.e. conceptually he or she was the senior engineer in the unit, although this arrangement was not always adhered to.

The staff of TSU consisted of Technical Support Officials (TSO) who provided engineering services to C/S Councils for survey, design, procurement and construction supervision of small scale infrastructure projects.

The TSU also performed a number of provincial-level tasks, including a survey of market prices for construction materials on which the cost estimates for projects were based; and evaluation of the capacity of contractors applying for pre-qualification for C/S contracts. TSU also provided much of the data for the Project Information Database (PID) and in some provinces was directly responsible for data entry on behalf of LAU.

#### **4.1.6.7 Provincial Department of Women's Affairs**

Prakas 292-STF gave to the Provincial / Municipal Department of Women's Affairs (PDoWA) a specific role in the PRDC structure, to assist ExCom to effectively implement the gender mainstreaming strategy. PDoWA assisted technical departments to ensure that gender mainstreaming principles were incorporated in their work-plans and sub-contracts with ExCom.

#### **4.1.7 Future of PRDC-ExCom**

During the final year of the Seila Program the Government indicated its intention that the sub-national D&D systems and structures established under Seila would continue in place until such time as they were adapted or replaced by new, permanent institutions of sub-national government.

It is anticipated that the Organic Law on Administration of Provinces/Municipalities and District/Khans will provide for the creation of unified provincial and district administrations under indirectly elected councils at both levels. As the functions currently performed by the

PRDC Executive Committee are fundamental governance functions that must continue to be performed, the design of the new executing arrangements will again benefit from many years of actual experience. The process of design and transition is likely to be gradual in order to balance the need for both continuity and coherence and institutional reform that will hopefully integrate domestic and external resource management comprehensively.

## 4.2 NCSC and Institutions of Decentralised Government

### 4.2.1 National Committee to Support the Communes / Sangkats

The National Committee for Support to Communes/Sangkats (NCSC) was an inter-ministerial committee established by Royal Decree in May, 2001 pursuant to the Law on the Administration and Management of Communes/Sangkats. It had the status of a reform council within the Supreme Council for State Reform. It had a time-limited mandate that expired nine months prior to the next commune/sangkat council elections, i.e. in mid-2006, and was to make recommendations to the Royal Government of Cambodia and the Ministry of Interior regarding the articulation and implementation of the Royal Government's decentralization policy.

#### Membership of the NCSC

Co-Ministers of Interior	Chairmen
Minister in Charge of the Council of Ministers	Vice-Chairman
Minister of Economy and Finance	Vice-Chairman
Minister of Rural Development	Member
Minister of Land Management, Urban Planning and	Member
Minister of Planning	Member
Minister of Women and Veterans' Affairs	Member
Director General of Administration of the Ministry of	Permanent

The NCSC's duties included to:

- Coordinate the implementation of commune/sangkat council functions and powers that are delegated by ministries.
- Coordinate the implementation of policy on commune/sangkat finances.
- Promote democracy and public participation with transparency and accountability
- Study and re-define commune/sangkat boundaries.
- Study urban growth and urbanization as a basis for developing appropriate urban policies, structures and strategies.
- Develop a code of conduct for commune/sangkat councillors and officials working in the councils.
- Provide education programs for commune/sangkat councils and their staff, civil servants and the public.

The NCSC had the competence to issue decisions and guidelines. It also played an important role in proposing laws, Royal decrees and sub-decrees relating to decentralization and the commune/sangkat councils.

- Policy development under NCSC was carried on by a number of sub-committees, as follows:
  - Planning and development
  - Financial affairs
  - Boundaries and urbanization
  - Council structure and functions
  - Education, training and capacity building



The Department of Local Administration of the Ministry of Interior functioned as secretariat to NCSC.

The major accomplishments of the NCSC to included preparation and adoption of more than 70 legal instruments governing decentralization reform; and overseeing the major capacity building program for C/S councils.

The mandate of NCSC was transferred to NCDD by Royal Decree of 18 August 2006.

#### **4.2.2 Department of Local Administration**

Department of Local Administration (DoLA) was a department of Ministry of Interior within the General Directorate of Administration. It was established by unit under direction and command of Department General of Administration of the Ministry of Interior by a Sub-Decree numbered 58 ANK.BK dated July 03, 2001.

DoLA was responsible for general administration of matters relating to the C/S Councils and functioned as the secretariat of NCSC. The roles of the department included coordinating support to decentralisation within the Government and externally; dissemination and enforcement of the decisions of NCSC and its sub-committees, monitoring, evaluation and intervention in the work of the C/S Councils and implementing the capacity building program of NCSC.

#### **4.2.3 Seila Support to NCSC and DoLA**

Seila supported NCSC and DoLA at the national level through an annual contract between STF and Ministry of Interior, in technical assistance for drafting of legislative instruments and regulations, and in technical assistance for administration and capacity building through a permanent team of PLG advisers based in DoLA. The total budget allocation for this support from 2001 – 2006 was about US \$ 831,000. This does not include support provided by Seila partners, particularly UNDP and UNICEF, directly to DoLA. A full list of legislative instruments and regulations issued under NCSC mandate with support from Seila is provided in Chapter 13.1.

#### **4.2.4 Provincial / Municipal Office of Local Administration**

The Provincial / Municipal Office of Local Administration (PLAU) was created by Ministry of Interior Prakas 940 on 16 July 2004. PLAU was a office under the “Sala Khet” (i.e. Provincial Governor’s office) and was in the Ministry of Interior line, and was therefore a permanent institution outside the PRDC-ExCom structure. Prakas 940 stipulated that staff of the PLAU were to be appointed from MoI payroll staff at appropriate levels. Prakas 940 stated that the roles and responsibilities of PLAU were to assist the governor in discharging his/her support, monitoring and intervention responsibilities for the C/S Councils. PLAU was divided into three offices: Administration, M&E and Intervention; Planning, Data and Finance; and Training, Education, Capacity Building and Information respectively. Prakas 940 stated that these various offices had functions relating to monitoring, evaluation, guidance and training of PFTs and DFTs but did not specify the administrative relationship between PLAU and PFT/DFT.

A subsequent guideline for implementation of Prakas 940 stated that PLAU had two functions, one as the secretariat to the Governor for implementation of his responsibilities for support to C/S Councils, and the other as a unit of ExCom.

As noted above, “ExCom LAU” was managed by the Chief of PLAU in all provinces. The majority of PFT and DFT staff who comprised the staff of “ExCom LAU” were permanent staff of agencies other than Ministry of Interior and were therefore not regarded as staff of, though under the leadership of, PLAU.

## 4.3 Commune / Sangkat Councils

### 4.3.1 Structure and Functions

Commune / Sangkat Councils were elected in all 1,510 rural communes and all 111 urban Sangkats of Cambodia in February 2002. This was believed to be the first democratic election of sub-national governments in Cambodia. The structure, functions and mandate of the Councils were authorised by the Law on Administration and Management of Communes and Sangkats in March 2001. A sub-decree on Decentralization of Powers, Roles And Duties To Commune/Sangkat Councils was signed on 25 March 2002.

The law and regulations enacted during the mandate of NCSC did not provide for any substantive difference between the structure, mandate, powers or functions of Communes and those of Sangkats. The only differences defined in the sub-decree on Powers, Roles and Duties concerned the formal titles used by the Council chairperson and deputies. A Sangkat was located in a Municipality and a Commune was located in a Province. However, the Municipalities other than Phnom Penh (Sihanoukville, Pailin and Kep) were largely rural in character, whilst large Provincial towns such as Battambang and Siem Reap had the same government structure as rural districts, so the effect was that there were wholly urban Communes and wholly rural Sangkats.

Councils consisted of five, seven, nine or eleven councillors, according to population size, and were elected by proportional representation on a party list system. The Council had a chairperson and two deputies. The first deputy chief was responsible to assist the Chief on economic and financial affairs and the second deputy chief was responsible to assist the Chief on administrative and social affairs, public services and public order. A woman councillor was to be appointed as focal point for women's and children's affairs or, if no woman was elected to the council, a woman was co-opted to this role.

Councils were assisted by a Clerk who was a staff member of the Ministry of Interior. Some Councils hired additional assistance from their budget resources although most did not. Elected councillors were generally expected to assist the Chief with administrative functions.

Councils were empowered to appoint committees for appropriate purposes. All Councils had a Planning and Budgeting Committee (PBC) which included representation (one man and one woman, one of whom was the village chief) from each village in the Commune. This facilitated the determination and analysis of village needs and priorities, which was the basis of the planning system described in Chapter 4. Other committees with importance for the Seila Program included the Procurement Committee and Project Management Committees.

The LAMC stated that functions of the C/S Councils were divided into serving local affairs and acting as an agent of the State. The "local affairs" functions were further defined as:

- Ensure maintenance of security and public order;
- Arrange necessary public services and be responsible for the good process of those services;
- Promote the contentment and welfare of citizens;
- Promote social and economic development and upgrade the living standard of citizens;
- Protect and conserve the environment, natural resources and national culture and heritage;
- Reconcile the views of citizens to achieve mutual understanding and tolerance;
- Perform general affairs to meet the needs of citizens.

The LAMC specified a number of exclusions from the functions of the C/S Council, notably that the Council had no authority over forestry matters.



### **4.3.2 Seila Program Support to C/S Councils**

Seila/CAREERE provided support to development activities at the Commune level from 1996. By the end of 2001 the Seila Program had supported formation of Commune Development Committees in 509 communes in 12 provinces / municipalities. These CDCs had formulated development plans and 318 of these communes had implemented projects under the Seila Local Development Fund. With the election of the Councils the CDCs were dissolved, with their executive functions taken over by the Councils and the planning functions by the PBCs. PLG funding for the Local Development Fund was re-directed to support the new Commune / Sangkat Fund. As a transitional arrangement, those communes which had received previous support from Seila and had formulated a development plan for 2002 were the first to receive development funding from the C/SF (see below).

The Seila Program provided extensive capacity building and operational support to the C/S Councils through PRDC-ExCom. The PFT and DFT (see 3.1.6), supported by PLG advisers, had a wide remit to strengthen the capacity of the Councils, assist them with administrative and financial management tasks, particularly those related to development work, and to facilitate the planning process. The Technical Support Unit of PRDC-ExCom, which provided Technical Support Officials (TSO) to assist Councils with study, design, cost estimation and contract supervision of small-scale infrastructure projects. Through PRDC-ExCom Seila provided funds to support meetings, workshops and capacity building activities at District and Provincial level and to assist Councillors to travel to participate in these events.

More than half the funds for development investments disbursed by C/S Councils from 2002 to 2006 were mobilised through the Seila framework. These funds included financing of the C/S Fund by PLG and by World Bank-RILGP, and additional funds provided to selected Councils under the IFAD RPRP-CIDF and CBRD-RIIF arrangements, and smaller amounts of funds earmarked for specific purposes under UNICEF – Seth Komar and Danida CCB-NREM.

The Seila Program Document envisaged that Seila would provide support to Councils in selected provinces, with coverage increasing over the Program lifespan to reach 1,216 Councils in 15 provinces and in Pailin municipality by 2005. In practice, Councils not receiving harmonised, consistent and sustained support from Seila found it difficult to progress with basic tasks and in particular were not able to formulate development plans. Seila supported all 1,283 Councils in the 16 provinces/municipality by the end of 2002 and in the final quarter of that year the Government and donors agreed that Seila should expand to full national coverage. Accordingly, from March 2003 through to the end of the program Seila provided a consistent level of support to all 1,621 Councils in Cambodia.

Outside the Seila framework, support to planning activities of Councils was provided by UNDP's Decentralisation Support Project while the ADB-funded Commune Council Support Project supported capacity building activities nationally and identified selected communes to receive Commune Office buildings.

### **4.3.3 Achievement of C/S Councils**

Before 2002 Cambodia had no tradition of autonomous, empowered local authorities with a mandate to engage in local development and service delivery. Local communities had generally low expectations of the Commune authorities. The Commune authorities had very limited administrative or financial management training and were not used to working within the transparent, participatory and accountable framework required for democratic local governance. In 2006 all 1,621 Councils neared completion of their first mandate having formulated local development plans, investment programs and annual budgets, learned basic administrative and financial management skills, and successfully implemented development projects directly and in cooperation with development partners. To varying degrees depending on the types of assistance received, Councils had developed local strategies for cross-cutting

issues such as gender and environmental management. More importantly, there was good evidence of a changed relationship between local authorities and communities, with local residents increasingly perceiving the Council as a potential source of advice and assistance for a diverse range of problems. Seen in context of the situation at the beginning of the mandate, this was a remarkable set of achievements. However, administrative capacity of Councils, particularly in remote areas, remained weak, as did the confidence of Councils to act independently of advice and of direction from above. Much work remained to be done on defining the powers and functions of the Councils in relation to other levels of government and to increasing their financial strength and autonomy. Given that capacity-building efforts had focussed on elected councillors (in the absence of a substantial corps of professional administrators at this level) it was inevitable that new elections would have a short-term impact on the Councils' capacity.<sup>8</sup>

#### *4.4 Decentralised Institutions at the District Level*

During the period of the Seila program the key sub-national levels for planning, budgeting and execution of development activities were the Province/Municipality and the Commune/Sangkat, with the District being regarded as an administrative sub-division of the Province. A number of Seila Program activities were carried on at the District level; including the annual District Integration Workshops; logistical organisation of bidding meetings for C/S Fund contracts and day-to-day coordination of activities in support of the Communes, often through a semi-formal committee including PFT, DFT and TSO assigned to the District. In addition, in some Provinces there were regular coordination meetings for C/S chiefs at the District level. All of these activities took place under the oversight of the District Chief. However, the District Administration had very limited capacity in most cases and the District level offices of technical Ministries were often inactive or non-existent.

In 2005 the Government promulgated the Strategic Framework for Decentralisation and Deconcentration Reforms which stated the intention to institute a unified administration at the District level, empowered to prepare, adopt and implement development plans and budgets, manage staff and coordinate the development and delivery of public services within their territories. This led to renewed interest in piloting mechanisms for coordination, planning, budgeting and implementation at the District level and in particular to the District Initiative Pilot which is described in Chapter 4. To the end of the Seila Program no formal institutions were established for D&D at the District level but it was anticipated that District Development Committees with limited executive functions would be established on a pilot basis in 2007, ahead of formal creation of the District administrations under the Organic Law.

#### *4.5 Institutions for Accountability*

##### **4.5.1 General**

Accountability is a key element of good governance which was at the heart of the Seila Program objective and design. Improved accountability of officials and others charged with the appropriate use of public funds leads to greater efficiency and effectiveness and a greater impact of investments on poverty reduction. Accountability embraces the concepts of democratic accountability of elected officials to the electorate; administrative accountability to higher state authority and to funding agencies through contracts and administrative rules, and legal accountability through the judicial system. All three of these elements were notably weak in Cambodia at the outset of the Seila Program.

---

<sup>8</sup> Sources for further reading on the institutional strengths and weaknesses of the Commune Councils include Turner 2004; and Ninh and Henke 2005.



Strengthened legal accountability was outside the remit of the Seila Program. However, Seila sought to strengthen democratic accountability indirectly through strengthening the links and improving the exchange of information between local authorities and the local population. Seila administrative arrangements were designed to ensure improved administrative accountability and to do this in such a way as to allow the public access the accountability process.

Two key institutional innovations supported by Seila to improve accountability were: the introduction of internal auditors into the Seila management structure at national (STFS) and provincial (ExCom) level; and the creation by NCSC of Accountability Working Groups to strengthen accountability in the use of C/S Fund resources.

#### **4.5.2 Internal Auditors**

Internal auditors were introduced into the Seila management system in 2005. It is believed that this was the first time a position of this nature was introduced within a Cambodia government agency.

The National Internal Auditor, assisted by an Assistant Internal Auditor, reported directly to the Secretary General and did not become involved in the execution of financial or administrative tasks. The core duties of the Internal Auditor were to review accounting records, financial reports and operations to ascertain compliance with relevant procedures; to identify any malfunctioning of the accounting and operational systems; to coordinate and facilitate periodic external audits and to carry out inquiries and investigations as directed by the Secretary General. The Internal Auditor had authority to carry out checks of all Seila agencies and operations and the corresponding access to accounting records, assets and personnel. The Internal Auditor was charged to maintain confidentiality on the findings of audits and to report any evidence or firmly grounded suspicion of malpractice to the Secretary General, who would then take a decision on further action.

The Provincial / Municipal Internal Auditor role was in many respects similar to that of the National Internal Auditor described above; working within the ExCom structure and authorized to carry out checks of all Seila financial and operational procedures within the province or municipality. The Provincial Internal Auditor reported directly to the Governor as Chair of ExCom. The Seila Finance and Administration Manual included detailed specification of the tasks to be performed by the Internal Auditor, including:

- a weekly check of accounting records;
- random checks of financial transactions;
- review of ExCom reports;
- audit of line departments' petty cash accounts;
- audit of line departments' project implementation;
- audit of C/S accounts;
- any special assignments from the Governor.

Audit assignments were to be recorded on a pro forma Audit Work Paper and the Provincial Internal Auditor was also responsible to prepare a monthly Internal Audit Report.

The Internal Auditor system clearly represented a significant advance in design of institutions of governance to ensure accountability. It was recognised that merely appointing an Internal Auditor in an institutional environment of very weak accountability, was not a complete solution to accountability problems. The independence and neutrality guaranteed to the Internal Auditor by his or her job description was very difficult to realize in a culture where informal or non-official networks and hierarchies of authority could be as significant as official administrative structures. Crucially, the system of an Internal Auditor reporting in confidence to the senior management figure provided the senior management with improved access to

information, but did not guarantee the management either the will or the ability to take effective action on accountability issues.

### **4.5.3 Accountability Working Groups**

NCSC began work on implementing an Accountability Framework for the C/S Fund in late 2004. This initiative was undertaken in response to increasing concerns expressed by donors, especially World Bank, about the vulnerability of C/S Fund operations to corruption and misuse of funds. NCSC established a working group to investigate this issue and to make recommendations. The objective was to create institutions that would have the strength, independence and credibility to receive and investigate complaints and to make decisions for appropriate action including sanctions against individuals.

The National C/S Fund Accountability Working Group was to be chaired by the Director-General for Administration of MoI and to include representatives of MoI (4); MEF (2); MRD (2) STFS and National Treasury as members. The Working Group was tasked to investigate the misuse of C/S Fund and was given the following specific responsibilities:

- Formulate action plans and schedules of study, review, data collection and seeking recommendations from sub-national level;
- Consult with Commune Councils, Government officials at Provincial and District level, PLG Advisors and other stakeholders to identify gaps and misuse of C/S fund and propose recommendations for improvement;
- Review the vertical and horizontal lines of accountability in implementing the C/S fund at all levels in order to find issues and recommendations for clear accountability lines;
- Recommend to set up clearly the mechanism to whom will be responsible for receiving and solving complaints related to the misuse of CS fund;
- Provide recommendations for the review of CS project implementation;
- Prepare action plans for the strengthening the accountability of CS project implementation, fund using and monitoring plan for project implementation in 2005;
- Prepare reports on accountability of C/S fund.

The Provincial/Municipal Accountability Working Groups (AWG) were established by Decision 028 of NCSC with the objective “to ensure the transparent, accountable and effective use and implementation of C/S Funds.” The AWG was to be chaired by the Governor and to include the First Deputy Governor, the four Chiefs of PLAU and of ExCom-CAU, ExCom-TSU and ExCom-FU and the head of Treasury. These officials were joined as members by one NGO representative, one contractor representative, three representatives from C/S Councils to include representatives of all political parties that have elected councillors in the Province or Municipality; the PLG Senior Provincial Program Advisor and the ExCom Internal Auditor. Detailed procedures for selecting the councillor and civil society representatives were annexed to the Decision.

Further details of the operation of the AWG are provided in Section 4.7 below. At the end of the Seila Program, the expectation was that the Accountability Working Groups would continue in existence and the expansion of their remit to cover all resources programmed through the PRDC Annual Work-Plan and Budget were under way.



## 5 Establishment and Strengthening of Systems for D&D

### 5.1 Background

At the beginning of the Seila Program in 1996, most of the donor assistance to Cambodia operated outside of government through vertical management structures designed by donors for each project. The lack of a legal framework at sub-national level, the weaknesses within the government's own financial system and the lack of national budget allocations to the sub-national level meant that most provinces had very few resources to plan, manage and implement. The original objective of the Seila Program was to design horizontal provincial and commune management structures and systems owned and operated by government that were acceptable by international standards so that donor assistance could be directly transferred to provinces and communes to finance activities directly designed by local authorities following national guidelines. Working closely with the Ministries of Interior, Economy and Finance, Planning, Rural Development and other Ministries, provincial structures and systems were designed, fully tested, adopted by Sub-decrees and Prakas and gradually expanded to the entire country between 1999 and 2003. The success achieved through this effort and its importance in designing the next phase of support to D&D is demonstrated by the following:

- All of the resources mobilized through Seila were directly managed by provincial/municipal administrations under the approval authority of the Governors and the program was directly managed by government authorities and implemented by government institutions at all levels;
- Donor confidence in the Seila management systems was demonstrated by the fact that during the lifetime of the Seila program about \$ 215 million was mobilized from 12 donors and the government with \$ 185 million programmed during the life of the program. Adopting harmonized, government-owned, management systems for a wide range of donor support greatly reduced the complexity for provincial/municipal administrations;
- Until 2006, the resources under the Seila framework were the *only* donor funds at sub-national level following the government's budgetary and programming cycle and being systematically transferred into provincial/municipal bank accounts operated by the Departments' of Finance under the approval authority of the Governor. These resources were used to support integrated provincial work plans and budgets in line with the Government's vision for D&D;
- By the end of Seila all provincial/municipal administrations had gained between 4 and 9 years of management experience and over 2,500 civil servants across the country had been trained in various management and implementation functions related to the systems.

In addition to the Seila Program systems at national and provincial level, NCSC oversaw the development of planning, budgeting, financial management and implementation systems for the C/S Councils. Seila provided substantial assistance to NCSC in developing and operationalizing these systems. Whilst these C/S systems had features appropriate to the context and capacity existing at the commune level, the Seila systems had many features in common with the C/S systems and were designed to interface with them, particularly in the integration of the planning process.

In the following sections systems for data collection, resource allocation and planning; contract administration; financial management and reporting; monitoring and evaluation and accountability are described, with each thematic section divided into sub-sections dealing with systems at the commune, district, provincial and national level where appropriate.

## *5.2 Data Collection: the Village and Commune Data Books*

Planning and programming under Seila made use of a wide variety of data sources including formal surveys such as the national Socio-Economic Survey conducted by Ministry of Planning, informal and occasional surveys for specific purposes, and systematic collection of data on implementation of program activities. However, one data collection system is of particular interest in this description of the systems put into place by or to facilitate implementation of the Seila Program: this is the comprehensive, annual, nationwide collection of socio-economic data through the village and commune data books, data from which were then entered to the Commune Database (CDB).

The Village Data Book system and CDB were implemented under authority of the Ministry of Planning and were expected to continue in operation after close of Seila; in fact a new, expanded version of the Village Data Book was introduced in 2006 and a new version of the CDB (Version 6.0) was developed and put into operation in the same year.

The Village Data Book was distributed to the Village Chief of every village in the country around December each year. Training in data collection was provided from national level to Provincial Department of Planning (DoP) staff, who trained the Provincial and District Facilitation Teams of LAU. The facilitators then trained Commune/Sangkat authorities and Village Chiefs. The completed Village Data books were collected around February of the following year and data entered into the CDB by DoP staff. The data were compiled into a national data set by MoP and made available through the Seila Website. Data were also used to generate Commune / Sangkat profiles which were used at Step 1 of the C/S Planning Process.

The last version of the Village Data Book supported by Seila, which was developed in 2006, took into account suggestions for data collection from a range of different national and donor agencies including UNICEF and various Ministries. The resulting data book had over 230 indicators (not all applicable in every village) divided into the following categories: Population and Education; Occupations; Agricultural Situation and Natural Resources; Housing, Transportation, Health and Hygiene Situation; Water Use, Administration and Security; and data on ethnic minorities.

The corresponding Year 2006 Commune / Sangkat Data Book contained additional information on the physical situation in the local authority area, including data on education services; agriculture production; irrigation and transportation infrastructure; community based organisations; industry, retail and other services; and prevalence of domestic violence.

It must be accepted that the quality and reliability of some of the data collected through this system will be suspect. It may also be that the number and complexity of indicators which the village and commune chiefs were required to collect were over-ambitious; there were overlaps between village and commune level data; there were indicators which the local authorities could not reasonably be expected to measure reliably; village and commune chiefs were burdened with requests for data which were, or should have been, readily available from alternative sources; and there were indicators for which comprehensive coverage was not needed and a properly designed sample survey would have yielded more accurate results. Nevertheless, the collection and making publicly available from a single source of such a large body of up-to-date, locally specific socio-economic data has been a very notable achievement. The cost of compiling this data set was very low compared with the cost of conducting conventional sample surveys. The CDB data has been widely used by development agencies seeking area-specific information for the purpose of planning development interventions. The system is expected to continue in operation and the process of annual review will tend to improve data quality over time.



## 5.3 Resource Allocation and Planning

### 5.3.1 General Principles

External resources mobilized through Seila are programmed in accordance with the Royal Government's budget cycle on an annual basis to support priority activities identified through planning exercises at commune, provincial and national level and in support to the overall program objectives defined in the overall Seila Program Document and subsidiary donor/agency support projects. A number of general principles underlay the systems used for resource allocation, planning and budgeting within the Seila Programme. These principles are summarised as:

- **Alignment with Government systems.** During the period of the Seila Program some programme-specific systems, particularly at commune level, were replaced by government systems mandated by legislation. Where this did not happen yet, the intention was to align as closely as possible with the systems used to develop national and sub-national plans and budgets within the government system. This led to improved efficiency and reduced transaction costs as well as preparing for the program systems to eventually be phased out and replaced by reformed government systems.
- **Alignment with poverty reduction goals.** The objective of the Seila Program was to contribute to poverty reduction through good governance. This was taken to embrace both gains resulting from the economic and social impacts of improved governance and the gains from well-governed development investments. Seila investment funds were provided to sub-national levels with a high degree of discretion on specific outputs and geographical locations, within guidelines intended to ensure that the investments contribute to achieving the poverty reduction objectives of the Millennium Development Goals, the National Poverty Reduction Strategy and the National Strategic Development Plan.
- **Participation.** Local level planning was based upon needs identification through village meetings and at every level the processes of planning, resource allocation and budgeting were characterized by openness, inclusiveness and participation by stakeholders.
- **Predictability.** By creating a transparent, rational, objective-based system for resource allocation, Seila improved the medium-term predictability of resources available to planning and implementing agencies at the provincial and commune level. By the final quarter of each year, September, agencies knew the resources that would be available to them for the following year. Seila financial management systems ensured that allocated resources were delivered in a timely fashion and in accordance with transparent procurement rules.
- **Complementarity.** By harmonizing resources under one overall framework, the Seila program was able to ensure a great degree of complementarity in the use of resources. Rather than having one set of advisors and staff for each project, advisors and staff worked across projects. Advisors were organized under one specific project and staff was government staff.
- **Sustainability.** All activities were designed and implemented by government institutions, and all guidelines, systems and structures were the government's own systems and structures. Where proper systems in structures were not in place at the time, the Seila program piloted systems and structures that helped the government proceed towards enhanced systems, structures and guidelines.

### 5.3.2 Resource Allocation Within Seila

Most resources programmed through the Seila framework were defined by project documents signed between RGC and donor partners. These project documents specified with varying degrees of detail the amount, location and purpose of funds. The major exception was the C/S Fund, the amount of which was set as a proportion of domestic revenues by sub-decrees in 2002 and 2005.

Seila Program resources were programmed annually through an inclusive process of consultation between stakeholders. The process began in the third quarter of the preceding year with a summary of resources available in each category. Requirements for operations expenditures and technical assistance at national and sub-national level were assessed and agreement reached on funding shares from different donors for these categories. Funds available for investments were divided into the following categories:

- **National.** Investments through national Ministries for activities in support of D&D;
- **Deconcentrated Sector Projects.** These funds were generally allocated to specific activities and locations at sub-national level according to project documents, with only limited programming flexibility at the sub-national levels;
- **Provincial Investment Funds.** These funds were allocated to the PRDC-ExCom for programming in accordance with Provincial priorities. Allocation of PIF funds was according to a formula taking into account population, poverty levels, and availability of other resources including the deconcentrated sector project funds;
- **District Funds.** Until 2006 no resources were specifically programmed for investments at the District level. In the 2006 AWPB one District in each Province received an allocation of US \$ 20,000 of investment funds for a pilot program of district planning and project implementation.
- **Commune/Sangkat Fund.** The C/S Fund was divided into Administration and Development Components. The Administration Component was wholly funded by RGC from domestic revenues and accounted for one-third of the total fund available. It was allocated proportionately to the size of the Council (i.e. between 5 and 11 councillors, the number itself being dependent on the population of the commune). The Development Component of the C/S Fund was allocated by formula with 35% of the total funding an equal base amount for each council, 35% being allocated proportionately to population and 30% being allocated according to poverty levels assessed from socio-economic data.
- **Commune Other.** In addition to the C/S Fund, some C/S councils received additional discretionary development funding financed through the C/S budget. These funds were referred to as "C/S Other" in Seila work planning. These funds included funds for rural infrastructure from the IFAD loan projects RPRP and CBRD; funds for projects related to natural resource and environmental management under Danida-NREM and funds for activities related to women and children issues under UNICEF-Seth Komar.

An Annual Workshop was held each year, usually in September, attended by representatives of Seila Task Force Ministries, PRDC-ExCom and donor representatives. As well as functioning as a focal annual event for the whole programme, this workshop was used to disseminate resource allocations for the following year and the criteria applicable to programming, and to conduct dialogue and to reach agreement on issues related to work plan and budget preparation.



### 5.3.3 Commune/Sangkat Development Planning

Commune and Sangkat Councils were mandated by the LAMC to prepare and adopt a C/S Development Plan within the first year of the Council's mandate, then to review and update the plan annually.

Inter-Ministerial Prakas MoI/MoP 098 dated 7<sup>th</sup> February 2002 set out the procedure for formulation of the five-year development plan, which was to be the basis for the three-year (rolling) investment program and the annual C/S budget.

Prakas 098 mandated an 11-step planning process divided into five phases. In Phase 1 (Data Analysis) the Planning and Budgeting Committee (PBC) was to review existing data on level of development and access to services; conduct participatory meetings at village level; and identify priority issues to be addressed by the plan. In Phase 2 (Strategy) the PBC was to formulate a long-term vision and immediate objectives to be achieved within the five-year mandate of the Council, and identify strategies to achieve these objectives. In Phase 3 (Project Design) the PBC was to identify projects consistent with the strategies, estimate costs of the projects, make a three-year resource availability forecast and then match priority projects to available resources to result in a first draft investment programme. The Council was then to participate in the District Integration Workshop in the hope of finding external assistance for priority projects. In Phase 4 (Programmes) the investment program was to be amended as necessary following the result of the DIW. Projects should be consolidated into programmes and the draft Development Plan and Investment Program prepared. In Phase 5 (Review and Approval) comments were to be sought from technical departments and from the general public and the plan was to be amended as necessary.

Prakas 098 recognised that during the first mandate of the C/S Councils it might prove beyond the capacity of some Councils to conduct planning in full compliance with the procedures outlined in the Prakas. Therefore, the Prakas empowered the Provincial / Municipal Governor to determine of the capacity of each Council and to waive requirements that were beyond the capacity of the Council to implement.

In practice, these provincial level capacity determinations were not done and instead, national guidelines were issued providing detailed guidance for planning and modifying the terms of Prakas 098 where this was considered appropriate. The most important advice issued in this respect was Guideline Number 150 on Preparation of the Commune/Sangkat 3-Year Investment Programme, issued by Ministry of Planning in June 2003. This guideline covered all 11 steps of the Prakas 098 planning process and in practice the distinction between the "five year plan" and the "three year investment programme" was not clear. All 11 steps were repeated each year, including approval by the Provincial / Municipal Governor.

A number of criticisms were advanced regarding the planning systems mandated for the C/S councils. Some criticisms – such as a perceived under-representation of women in dialogue or of women's priorities in outcomes; domination by facilitators or the narrow range of project activities emerging in practice – were related to willingness and capacity of the Councils to implement the process as designed, rather than to the design of the planning system itself. There were however a number of weaknesses which may reflect on the appropriateness of the system or of the guidelines for implementation. These included:

- The plan was divided into five "sectors": social, economic, administration and security, NREM and gender, with a general objective specified for each sector. These "sectors" were rather arbitrary and a single sector could embrace a diverse range of priority needs or proposed activities – for example, agricultural extension services and road improvements would both fall within the "economic" sector. Therefore, it might prove impossible to formulate a suitable statement of objective for the whole sector that was



also concrete enough to serve as yardstick of achievement. Further, the guideline for the investment program stated that the objectives should be reviewed each year and should merely be "not far away from the framework of the 5 year development plan." Therefore, there was no clear linkage between the objectives identified for the 5 year plan and the project activities included in the investment program.

- The guidelines, and the interpretation of them in practice by Councils and facilitators, tended to aim for comprehensiveness rather than prioritisation of objectives. The perception was that project activities must be identified in the plan corresponding to each sector and each need raised by the village meetings, rather than focussing on a limited set of achievable goals, which would arguably be a better strategy for a Council with limited resources. Prakas 098 stated that in Step 3 the PBC should "select priorities...on which to focus efforts;" whilst Guideline 150 stated that "All problems/needs as well as solutions should be recorded for discussion in the next steps."
- The 3-year resource estimation mandated in Step 6 by Prakas 098, was rarely carried out in practice. Councillors, PBC members and government officials were not comfortable with the concept of making a best-guess estimate of resources they would be allocated by the government, and then entering this estimate into an official document. Guideline 150 implied that the resource estimate should only comprise budget resources for the following year (not for the three-year program) and should not be included at all unless these are already known in detail. The consequence of omitting the resource estimation was, of course, that the resulting document was an investment program in name only.
- The draft "investment program" which was taken to the District Integration Workshop by the Council was more in the nature of a list of wished-for development assistance activities categorised by sector and priority. However, there was a perception that activities assigned a lower priority were less likely to attract support. Therefore, there was a tendency to assign the highest priority indiscriminately to most or all proposed activities.
- The annual reiteration of the full planning process did not appear to be sensible in practice. The practice of holding an annual participatory event in each village related to review of development planning and progress, was a good one, but the structure of the event generated complaints that village participants resented being asked to re-state their priorities for assistance when the priorities raised in previous years had not been addressed. The annual review of objectives and strategies did not appear sensible, nor was the need for an annual approval of the plan / investment program, given that the annual budget of the Council was also subject to Provincial approval.

Despite these weaknesses, the institution of a participatory planning process, linking the views, needs and priorities of the local population not only to the commune level development plan but, through the District integration process, into higher levels of resource allocation and planning, and implementation of this process nationwide within the first mandate of the elected local Councils, was a notable achievement that contributed to changing the perception and the reality of the relationship between local communities and local authorities.

In addition to the general mandated planning process, a number of additional planning exercises or modules were developed to suit specific sectoral or thematic concerns, and supported by specific project interventions. These included:

- Integration of NREM objectives into Commune Development Plans in communes supported by the Danida CCB-NREM project, encouraged by an "NREM certification" scheme and the provision of investment funds for NREM related activities;
- Participatory land use planning at commune level, supported by Danida CCB-NREM;
- Agro-ecosystems analysis following a procedure developed by the CAAEP project and implemented in communes receiving agricultural support;



- Special planning provisions for communes with highland minority populations, to ensure that the traditional representatives of these populations had a voice in the planning process and that their interests were taken into account.

Towards the end of the Seila program, Seila initiated a process to review the commune development planning and investment process in order to address many of the challenges raised above. An inter-ministerial working group was established and the work of this group was facilitated and supported by the Seila program and PLG advisors. The task of this group continued beyond the closure of the Seila program, as it was taken up by the National Committee for Management of the Decentralization and Deconcentration Reforms (NCDD), which took over the Seila mandate from January 2007.

### **5.3.4 Commune / Sangkat Project Preparation**

For projects identified in the C/S Investment Program and earmarked for funding from the C/S budget resources – principally the development component of the C/S Fund and the “Commune Other” resources such as IFAD-CIDF, there was a standard process for project preparation described in the C/S Fund Project Implementation Manual (PIM). For local infrastructure projects, which represented most of the development investments of the C/S Councils, the process of project preparation was assisted/facilitated by the Technical Support Official (TSO).

The C/S chief agreed a work-plan for project study and design with the TSO. The C/S chief formed a Project Management Committee (PMC) consisting of the C/S Procurement Committee plus one member from each village that would benefit from the project.

The TSO then assisted the PMC to compile the information required to substantiate the technical design. There was a standard format for this information, known as the Project Information Form.

The Project Information Form included screening questions to identify projects that would require environmental impact assessment; either because the project was located in a sensitive area or because of the nature of the project itself. A second set of screening questions identified projects that would have an impact on private land users.

Where environmental impact assessment was required, this was carried out through a participatory methodology facilitated by a Provincial official who was appointed for this task; usually this was an official of the Provincial Department of Environment. Possible environmental impacts were identified from a checklist, assessed as slight, medium or severe, and a mitigation plan was developed.

Impact of the project on existing land users was assessed in three categories: no land acquisition required; voluntary land acquisition (limited to voluntary donations not exceeding 5% of any user’s agricultural land or other assets worth more than \$US 100; made by land users who have been properly informed of their right to refuse); and compulsory land acquisition required. Very few projects were assessed as being in the third category; this reflected that it was very difficult for the C/S Council to mobilise funds to pay compensation. When it was found that a provisional project design could not be implemented within the voluntary land acquisition criteria, the response was usually to seek a solution based on compromise and modification of the design. Thus, the safeguard guideline was effective in preventing conflict and strengthening land users’ rights even though actual compensation was rarely paid.

The safeguard procedures for environment and for land acquisition were regarded as somewhat burdensome by the C/S Councils and by Provincial facilitators and TSO. The procedures specified in the PIM were unsophisticated, corresponding to the small scale and local impacts of the projects. Quality of implementation of the safeguard guidelines was somewhat variable. Nevertheless the treatment of these issues within the CS Fund process appeared to be on a par

with or more advanced than was the case with most sectoral rural infrastructure programs in Cambodia. There was good evidence that proper consideration to the safeguards at the project preparation stage avoided difficulties and conflicts that may otherwise arise during the construction period.

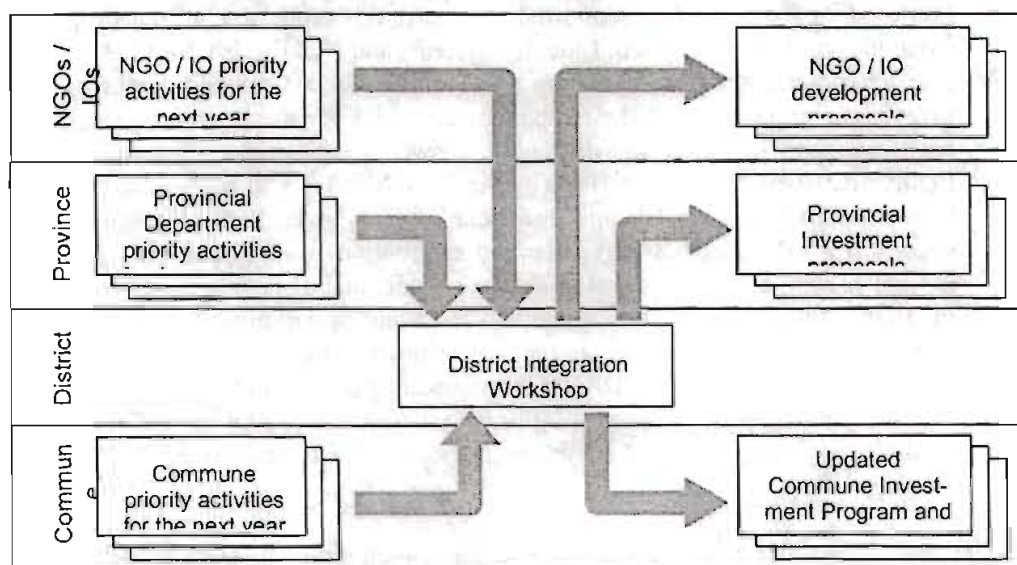
When project preparation was completed the project information documents were submitted to PLAU for "Technical Clearance." PLAU checked the completeness of the documents and then passed them to the relevant technical line department. The line department had the right to object on grounds of non-conformity with applicable technical standards, or of conflict with sectoral plans. According to Prakas 098, the project was to be deemed to have received technical clearance if the line department did not object within 15 days. However, it seems that this provision was rarely applied and it was normal to seek a signature of approval from the line department. The process was hampered by lack of clear criteria per sector of the documentation required or of the technical standards to be met. Ministries and line departments in general were not familiar or entirely comfortable with the role of technical regulator rather than implementer and there were cases of line departments refusing to issue technical clearance unless they received funds to carry out survey and design work themselves. It was also clear that the process was not very effective in identifying projects with sub-standard design work. Nevertheless the process was completed without major delay for the vast majority of C/S Fund and other C/S budget projects – around 2,000 projects each year nationwide.

### 5.3.5 The District Integration Process and PIF Fund Allocation

The District Integration Workshop was held annually in each District. The aim of the event was to bring together representatives of C/S Councils and representatives of assistance partners which might include Provincial / Municipal technical departments; national sectoral projects; NGO's and private donors. Planning priorities identified through the C/S planning process were matched with available resources and "Temporary Agreements" signed between C/S Councils and sponsors detailing the assistance to be provided and the roles and responsibilities of the respective partners.

The first District Integration Workshops were held under the Seila/CAREERE Program in 1998, but the procedures for the workshop evolved and the final reference document was Guideline 680 issued by Ministry of Planning in 2003, plus additional advice disseminated by MoP each year usually through the medium of the Seila Annual Workshop.

Guideline 680 emphasised that the DIW was the focal event in a broader District Integration Process and that quality of the preparation and follow-up phases were essential to a successful outcome. A diagram from Guideline 680 illustrating this process is reproduced below.





The essential steps in the District Integration Process were:

1. C/S Councils prepared a matrix of priority activities showing project name, type, location, outputs and estimated cost and numbers of beneficiaries by gender. PDoP consolidated this matrix into the District Priority Activity Matrix (DPAM) which was then circulated to Provincial technical departments and other potential donors in advance of the workshop.
2. C/S Councils also prepared a summary table development activities in the Commune / Sangkat during the previous year. This table showed activity, size, location, cost, implementing agency, whether started, percentage completion, and whether the activity emerged from the DIW process.
3. PRDC organised a meeting of line departments and other potential donors to prepare for the DIW. This meeting was primarily to disseminate information on the DIW process and the criteria for allocation of Provincial Investment Fund and other discretionary resources to line departments.
4. Line departments and other donors reviewed their priority activities for the following year. Line departments reviewed which activities were already funded (e.g. from core Ministry funds or from sectoral projects) and which were suitable candidates for PIF funding.
5. ExCom conducted a meeting with line departments to review PIF funding requests. Each proposed activity was reviewed for conformity to the PIF criteria. ExCom also considered the capacity of the Department as demonstrated by performance in previous years and looked for complementarity between activities implemented by different departments. ExCom assessed the priority for each activity as low, medium or high and agreed a provisional funding allocation, subject to fund availability and starting with the highest prioritized activities. Up to 2003, 80% of available PIF funds were allocated at this stage, with 20% retained for priorities identified through the DIW, but this process was found to be impractical and from 2004 100% of PIF funds were allocated to departments before the DIW.
6. Line Departments and NGO's examine the DPAM (see above) and identified activities which they wished to support. Supported activities were not limited to those proposed by the C/S Councils through the DPAM. They prepared a Priority Activities Matrix which showed by activity and Commune/Sangkat, whether the activity was proposed by the Council and whether it was supported by the department or NGO; i.e. from this matrix activities that were proposed by Councils but not supported; activities that were proposed by Councils and supported; and activities supported but not proposed by the Councils, could be identified. Line departments and NGO's also draft TA at this stage.
7. The District Integration Workshop was the next step. Councils displayed their draft investment programs and their report of activities for the previous year, and council representatives stood by the display to answer questions from potential donors. The PDoP displayed the District Priority Activity Matrix. The process of the DIW took between half and one day and consisted of four parts. Part 1 included an opening speech from the District Governor and orientation from PDoP. Part 2 was a walk-around session allowing potential donors to meet and discuss with C/S representatives. In Part 3 the council representatives had an opportunity to present briefly on achievements of the previous year and priorities for the year ahead. The PDoP then led a line-by-line review of the DPAM, noting activities for which support was offered and also entering activities proposed by line departments and NGOs which were additional to the C/S requests. Part 4 of the workshop was a review of agreements made and closing.

Data on the District Integration Workshop process including the DPAM and the TAs was recorded in the Commune Development Planning Database (CDPD) by the PDoP and compiled into a national dataset.



Sub-contracts between PRDC and provincial line departments for implementation of activities identified through the District Integration process and funded by PIF or other Seila funds were drafted and consolidated into the Provincial Annual Work-Plan and Budget.

### **5.3.6 The Provincial Annual Work-Plan and Budget**

The Seila Provincial Annual Work-Plan and Budget consolidated all development resources and planned activities funded through PRDC-ExCom and through the C/S Councils.

Resources executed by PRDC-ExCom were programmed under two basic categories:

- **investments**, programmed through sub-contracts with implementing agencies, usually Provincial line departments;
- **operations**, programmed through budgets for each of the four units of ExCom (CAU, LAU, FU and TSU) plus support costs for the PLG advisory team.

The investments reflected resources earmarked for the cross-cutting issues of planning and gender mainstreaming and funded from the PLG-PIF allocation; resources programmed through the District Integration Process and funds earmarked for specific activities through sectoral projects or thematic projects. The sub-contracts included a maximum of 25% for operations, capacity building and other provincial-level costs of the implementing agency. These costs were budgeted according to guidelines and mandatory unit rates for travel and DSA costs.

The operations budget was funded on a cost-sharing basis by the different Seila projects operating in the province, but with the majority share (66% in 2006) funded by PLG. The major cost items were budgeted according to mandatory standard unit costs: these principally comprised salary supplements, fuel allowances for vehicles, DSA, meeting costs etc. For items which were not subject to mandatory unit costs flexible guidelines were applied, and approximate standard rates were used in assessing the operations cost allocation to each province.

Integration of annual work-plans and budgets of the various donor projects operating within the Seila framework, into a single consolidated Provincial work-plan and budget, encouraged complementarity, avoided duplication and had the effect of extending the benefits of flexibility and responsiveness to local needs to the overall program, even though this consisted of a mixture of earmarked and freely programmable funds.

### **5.3.7 The District Initiative Pilot**

The District Initiative Pilot was developed by Ministry of Interior with support from PLG and Danida CCB-NREM in response to indications in the Strategic Framework for Deconcentration and Decentralisation, of an enhanced role for the District level in planning, coordinating and implementing development activities.

The District Initiative Pilot was implemented in one District of each Province and Municipality of Cambodia during 2006. Each selected District was allocated \$US 20,000 for priority development projects in the District. In 14 provinces the funding was from PLG-PIF resources and in the other 10, from CCB-NREM PIF. This pilot process was considered as a new approach to programming of PIF resources rather than a new "District Fund".

The District Initiative Pilot had the following key objectives:

1. To strengthen the capacity of district /khan for coordination / facilitation with technical offices and C/S councils for local development
2. To enhance the perception of the district /khan as a level of service delivery planning and coordination in consultation with commune councils



3. To more clearly define a role for district / khan in the identification and facilitation of inter-communal initiatives.

Selection of projects was through a process of District level meetings with participants from District authorities, District and Provincial line department representatives and the C/S Councils. In the final selection each C/S Council had one vote and the District authority had one vote. Of the US \$ 20,000 allocation, US \$ 1,000 was reserved for capacity building activities and US \$ 1,000 for District administrative costs. Of the remaining US \$ 18,000, at least US \$ 6,000 was to be allocated to service projects (as contrasted with infrastructure investments). Projects had to be of benefit to more than one commune to be considered.

Service projects were implemented by Provincial line departments under sub-contract with PRDC, following normal PIF procedures. However, the District technical staff of the line department were given a prominent role in implementation and the District authority played a role in monitoring and follow-up. Most infrastructure investments were implemented through C/S Fund PIM procedures, with the contract signed by one Commune Chief on behalf of all the communes benefiting from the project.

### 5.3.8 Seila Annual Work-Plan and Budget

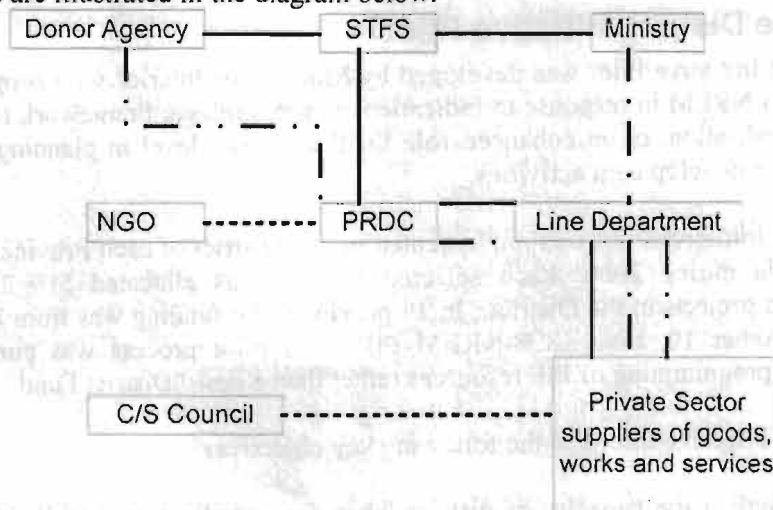
The Seila Annual Work-Plan and Budget (SAWPB) consolidated the Provincial AWPB; the Seila work-plans and budgets of national Ministries, the operations budget of STFS and technical assistance budgets for PLG and other advisory services, into a single document which was signed by H.E. Keat Chhon as Chair of STF.

The Seila Annual Work-Plan and Budget process and document has been described above.

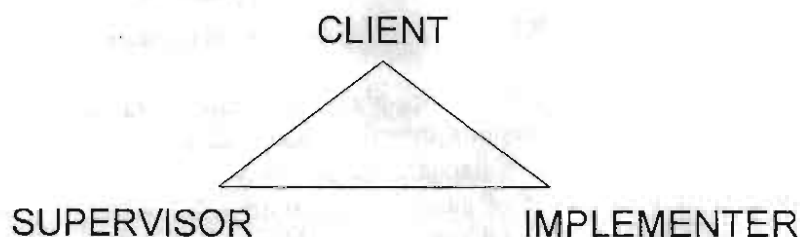
## 5.4 Contract Administration

### 5.4.1 Principles

The Seila Program was neither a single agency nor a hierarchy in which the higher levels exercised management authority over the lower levels. Rather, it was a partnership framework in which relationships between different agencies including donors, permanent and program-specific government institutions at national and sub-national levels, NGOs and private sector companies and individuals were defined by contractual arrangements. The most important of these contracts are illustrated in the diagram below.



All contracts within the Seila framework were designed upon the triangular principal of client – contractor – supervising agency.



The presence of an independent supervisor improved transparency and facilitates equitable contract governance.

In the case of donor agreements, either CDC (for grant aid) or MEF (for loan aid) played the role of supervising agency. For contracts within Seila, between STFS and Ministry, STFS – PRDC and PRDC – line department, the PLG advisory team in effect performed critical aspects of the contract supervision role, particularly in monitoring for contract compliance and accountability, although this was not clearly documented in the advisers' terms of reference. For contracts between C/S Councils and private sector contractors, the TSO played the role of independent supervisor.

#### 5.4.2 Seila Contract Administration Systems

There were essentially three types of contract within the Seila contract administration systems:

1. **Funding agreements.** These contracts specified the terms and conditions under which funding institutions and agencies, including MEF and external donors, provided financial resources to STFS or to PRDC. Funding agreements generally followed formats required by the funding agency.
2. **Implementation Contracts.** These were contracts between STFS and Ministry or STFS and PRDC, and contracts or sub-contracts between PRDC and implementing agencies, mainly Provincial line departments.
3. **Contracts with private sector suppliers of goods, services or works.** These generally followed standard formats prescribed in the Seila Finance and Administration Manual.

An important feature was that sub-contracts pursuant to a primary contract or funding agreement were financed by one fund source only, thus improving transparency and trackability of funds. For example, PLG funds governed by the PLG project document and AWPB were used to finance "GOV"<sup>9</sup> contracts between STFS and PRDC. PRDC then used these funds to finance sub-contracts with line departments, who further used the funds to finance contracts with private sector suppliers of goods, works and services. In provinces receiving funds from the IFAD RPRP project, STFS made a second "GOV" contract with PRDC governing the use of those funds. Funds received by PRDC through direct agreements with donors were then disbursed through additional sub-contracts with implementing agencies.

It is notable that there was no contract as such between STFS and PRDC and the C/S Councils. C/S Councils were accountable for compliance with legal requirements to the Provincial / Municipal Governor as the representative of the Ministry of Interior line of authority. Services provided to C/S Councils by PRDC; principally through LAU and TSU, were not governed by any formal contract. In some respects this was a weakness, for example in that a Technical

<sup>9</sup> Abbreviation for "Governance" i.e. denoting the sector in the contract numbering system province / sector / year / serial; however all funds disbursed from STFS to PRDC are considered to be within the general "Governance" sector and for example, the PLG funds contract with PRDC Siem Reap in 2006 is SRP/GOV/06/001. Hence these contracts are referred to as "GOV" contracts.



Support Official was essentially a service provider to the C/S Council, but had no formal accountability except to the Chief of the TSU.

All the implementation contracts had the same general format, being divided into three parts, as follows:

- **Part 1** consisted of work-plans per output and activity, and budget sheet showing line item units, quantities and costs per activity;
- **Part 2** consisted of standard contract conditions;
- **Part 3** consisted of narrative description following a standard structure: (A) Justification; (B) Objectives; (C) Monitoring and Evaluation; (D) Important Assumptions / Risks; (E) Gender Mainstreaming; (F) Natural Resource Management; (G) Maintenance.

From 2005 all contracts and sub-contracts governing use of PLG funds were in Khmer. UNICEF-Seth Komar used the same format as the PLG GOV contract but the agreement between UNICEF and PRDC was in English.

Annual provincial/municipal work plans and budgets are appraised by the STFS for compliance with the guidelines and are then approved by the STF. Immediately upon approval, the Governor signs contracts with implementing departments, the ExCom and the private sector and implementation commences.

Seila used a management information system known as the Seila Contracts Database (SCD) for tracking implementation of contracts using PLG, Danida, UNICEF- Seth Komar and IFAD-RPRP funds between STFS (and UNICEF) – PRDC and PRDC – line department. The SCD program was able to generate the contract formats automatically based on input of work-plan, budget and the Part 3 narrative described above. Further description of SCD follows in the Monitoring and Evaluation section.

#### **5.4.3 C/S Council Procurement and Contract Administration**

Procurement by Commune / Sangkat Councils was governed by Prakas 231 MEF dated 29<sup>th</sup> April 2005. This Prakas replaced an earlier version approved in March 2003.

Prakas 231 provided that the C/S Chief was responsible for the procurement of all works, goods and services. The Chief was assisted in this work by a Procurement Committee.

The Prakas mandated that all procurement for capital expenditures for development, and other expenditures of value over 2 million riels, was to be carried out by competitive bidding. This requirement might be waived in exceptional circumstances by the Provincial Governor. The Prakas also provides that for recurrent expenditures of less than 2 million riels for local development, where there was a community development component in the project objectives, the Procurement Committee might negotiate a contract directly with a local community based organisation.

The provisions of Prakas 231 were elaborated in the C/S Fund Project Implementation Manual (PIM). The PIM procedures were primarily applicable to works contracts let by the C/S Councils for implementation of small scale local infrastructure projects; this being overwhelmingly the predominant type of contract in practice.

Procurement was open to pre-qualified contractors on a list managed by PRDC-ExCom. The list was updated each year with evaluation of contractor performance based on reports from the C/S Councils. C/S Councils were permitted to invite local contractors who were not pre-qualified under this system, to submit bids.

In order to reduce transaction costs of the procurement system and to solve the logistical difficulties caused by large numbers of communes / sangkats organising procurement processes for similar contracts at the same time, the bidding schedule was coordinated by PLAU and in most provinces, bidding was conducted at District level. However, Commune procurement committees remained responsible for evaluating bids submitted for their contracts.

Therefore, the bidding meeting was generally an annual event held at District level. All Commune procurement committees and interested contractors attended. The bidding meeting was held in public. Orientation and bidding were held on the same day, with the contractors permitted time to complete simple standard bid forms after the orientation was complete. Bid evaluation consisted simply of confirming that bids were valid, with the lowest valid bid being declared the winner.

The procurement decision was subject to no objection from the Provincial Governor within a seven day period. The contractor negotiated a work-plan with the Commune, assisted by the Technical Support Official. A standard contract format was used. In the majority of cases standard designs and technical specifications from the Seila Technical Manual were used.

A Project Management Committee monitored implementation of the contract, assisted by the TSO as contract supervisor. When the contractor submitted a request for payment the TSO prepared a progress report. This report was then reviewed by the PMC and the final decision on approval of payment rested with the C/S Chief.

Copies of the contract document were held by PLAU and details of the contract were copied to the Provincial Treasury. The Treasury prepared a Contract Register onto which payments are recorded.

Contract details were entered into the Project Information Database (PID) which was compiled at national level by MoI-DoLA to maintain a complete record of contracts for local development activities implemented by C/S Councils.

## *5.5 Financial Management*

### **5.5.1 Seila Financial Management System**

The Seila Program created a single system for financial management and reporting of external development assistance at the national and sub-national level. This harmonized system was used by ten major donor partners, of whom five disbursed funds through STFS and the others through agreements with PRDC in which STFS did not have any financial management responsibility.

The purpose of the Financial System was to ensure that all resources dedicated to the Seila Program were managed in an accountable, cost-effective, and transparent way at all execution stages.

The Seila Financial System provided rules and procedures governing the disbursement process across the Seila Programme, including:

- Allocation of resources to the implementing agencies (budgeting);
- Flow of resources from the funding institutions down to the local implementing agencies;
- Obligations of the Seila agencies in respect of the use of allocated resources: accounting and periodic reporting procedures;
- Internal control mechanisms to ensure security and accountability for the use of resources, and efficiency of the operation system;
- Auditing requirements to assess the accuracy of the accounting records, and statements, and compliance with the established internal control procedures.



The Seila Financial System was US dollar-based and was managed by the STFS Finance Unit at national level and the PRDC-ExCom Finance Units at provincial level. Standard Peachtree accounting software was used for accounting.

Responsibility for making payments was divided between a Certifying Officer who reviewed payment documentation and cleared the payment; and an Approving Officer who was responsible for the final authorisation based on the Certifying Officer's clearance and supporting documents.

STFS operated an imprest account for each donor or project fund. PRDC-ExCom operated a sub-imprest account for each fund source. All payments were made from these accounts with the exception of petty cash advances to Ministries, and payments from petty cash accounts operated by Provincial line departments. The only exception to this was that from 2005 MoI-DoLA operated a sub-imprest account.

The STFS Finance Unit was responsible for:

- cash management;
- accounting;
- monitoring of budget execution;
- monitoring and intervention of ExCom FU, including regular review of accounts and supporting documents;
- capacity building for ExCom FU and for Provincial Treasury.

### **5.5.2 Seila Finance and Administration Manual**

The Seila Finance System and administrative systems including inventory management and procurement were described in the Seila Finance Manual and the Seila Administration Manual. These were disseminated usually as a single volume known as the Seila Finance and Administration Manual, under signature of the Senior Minister for Economy and Finance and Chair of STS.

### **5.5.3 C/S Council Financial Management System**

The C/S Council financial management system was mandated by a sub-decree issued under NCSC authority in March 2002.

The C/S Financial Management System was defined as consisting of:

- the commune/sangkat budget;
- the payment and accounting system;
- the expenditure management system;
- durable asset management;
- financial reporting and audit.

The system was riel-based and integrated with the general state financial management system. A general criticism of the system was that it was perhaps too much constrained by existing norms and that in some respects opportunities to improve on existing systems in the interests of efficiency and transparency were missed.

The Cambodian state fiscal year runs from January to December. According to the Sub-Decree, the C/S Council was to approve the draft budget for the following year by October and submit it to the Provincial / Municipal Governor for approval in November. The Governor was responsible for conformity controls but might not otherwise alter or oppose spending choices decided by the C/S Council. The intention of the Sub-Decree was that the budget should in normal circumstances be approved by January 1<sup>st</sup>.

The budget was divided into two principal sections:

- Section 1: Recurrent revenues and expenditures;
- Section 2: Capital revenues and expenditures.

Capital expenditures were sub-divided into investments for administrative purposes and investments for local development. Recurrent expenditures were not divided in this way but were classified in seven categories: salary and allowances; administration costs; local services costs; agent function costs; social intervention; economic intervention and contingency.

The structure of the budget reflected normal state budgeting practice, in which budgets consisted essentially of appropriations against each of a series of expenditure categories, but without any clear allocation of the expenditure against work-plans or proposed activities. After adoption of the sub-decree, the C/S budget system was modified to permit identification of foreseen contracts for local development investments, as a sub-division of the local development investment category.

Difficulties in financing recurrent expenditures for development, including local services and infrastructure maintenance activities, arose because the development component of the C/S Fund was regarded as a capital revenue which could not be applied to recurrent costs. As the administrative component of the C/S Fund was absorbed by salaries and internal administrative expenditures, and the Councils had few other revenue sources in practice, this led to a situation where under a strict interpretation of the sub-decree, recurrent expenditures could not be financed.

The sub-decree identified mandatory expenditures that must receive priority in the budget; these included operation and maintenance of local infrastructure as well as core administrative and operations costs. However, in practice these provisions were not enforced and operation and maintenance appropriations were either omitted or were unrealistically low.

The sub-decree stated that a resolution to close the previous year's budget should be adopted by the Council in March. The resulting balance became a reserve fund under the capital revenues section of the new budget. However, there was a general perception that the new budget could not be finalized until the amount of this reserve fund, or carry-over, was known. This led to a situation where it was normal practice for Councils to operate without an approved annual budget during the first quarter of the year. The sub-decree authorized the C/S Chief to commit mandatory expenditures only up to one-twelfth the amount in the previous year's budget, during each month in which the budget had not received approval.

A possible option to solve this problem would be an instruction to draft the new budget assuming the reserve fund to consist of uncommitted capital revenues from the previous budget only (these amounts are known once the procurement cycle is completed). It would then be standard practice to amend the annual budget to take account of additional reserve fund amounts, either in March or after procurement is completed (when there may be other amendments to deal with) in June-July.

The Provincial or Municipal Treasury acted as accountant and cashier on behalf of the C/S Councils. All Councils had an account at the Treasury and all payments excepting petty cash were made from Treasury in response to payment orders issued by the C/S Chief. The sub-decree allowed the minister of Economy and Finance to approve Councils to operate accounts at a commercial bank, but this was never permitted in practice.

There was considerable criticism of the performance of the Treasuries in providing these services to the C/S Councils. One fundamental problem was that the Treasury tended to see its role as to assume overall responsibility to manage the Council's finances, and to perceive the



C/S accounts as merely sub-divisions of the Provincial Budget rather than a separate set of functions on behalf of autonomous local authorities. Treasury procedures tended to be slow, bureaucratic and lacking in transparency or accountability; and the culture of service provision was entirely absent. There were persistent accounts from all provinces and municipalities of rent-seeking behaviour by Treasury officials.

The accounting system described in the sub-decree was cash-based. However, a number of modifications to this were used in practice. The main source of revenue for the C/S Council was the C/S fund transfers from MEF effected through National Treasury. These transfers were effected in two stages: a credit transfer approved by Ministry of Interior, and a cash transfer effected by National Treasury. These stages occurred independently of each other, so that cash transfers could run either ahead of or behind the credit transfers. Up to 2004 the practice was to record the credit transfer in the C/S accounts but to manage the cash as a single account for all C/S in the province. This had the advantage of flexibility but also had the effect that the C/S Chief was not able to know the cash position of his account at any stage, and hence could not know, on writing a payment order, whether or when it would be executed. The system permitted the Treasury to exercise discretion in prioritising payments in the event of a cash shortage, creating further opportunities for rent-seeking. From 2005 the Treasury moved to the practice of depositing the cash into individual C/S accounts at the National Bank of Cambodia branch in the province, the account signatories being the Treasury Chief and the Chief Accountant. This practice was not received with favour by the contractors who were the main private sector creditors of the councils; they regarded the National Bank as being as inefficient and prone to rent-seeking as the Treasury and therefore, cashing the cheque they were issued with by the Treasury was seen simply as a further costly and time-consuming process added to the business of collecting payment.

The expenditure management system was defined by the sub-decree to consist of commitment; verification; payment order and payment. Commitment was through the procurement system already described. After verification of delivery of the goods, services or works the C/S Chief prepared a payment order and forwarded it to the C/S accountant at the Treasury, who checked the supporting documents and initiated the process of payment. Payment through the Treasury system could take several weeks from receipt of the payment order to completion.

The sub-decree mandated that the C/S Council would maintain a register of durable assets. However, it was not clear whether this inventory comprised only administrative assets and equipment, or whether the outputs of local infrastructure investments were to be regarded as assets of the C/S Council. It was not clear to what extent Councils succeeding in developing any capacity for effective inventory management.

The sub-decree specified that the C/S accountant would prepare monthly, mid-year and annual financial reports, which were to be reconciled with the budgetary records maintained by the C/S administration and endorsed by the C/S Chief. However, in most cases the independent financial management capacity of the C/S administration remained weak, so that the Councils were dependent upon the Treasury to manage their financial affairs to an undesirable extent.

#### **5.5.4 The Commune/Sangkat Fund**

The Commune / Sangkat Fund was a mechanism for fiscal transfers from National to local authority budgets, financed partially from national domestic revenues and partially from external development assistance. During the first mandate of the C/S Councils the C/S Fund transfers represented about 25% of the total revenue received by the Councils, and 100% of the discretionary funds at the commune sangkat level

The C/S Fund was created by Sub-Decree of NCSC on 7 February 2002. The sub-decree stated that the C/S Fund had the following purposes:



- To enable the Communes/Sangkats to assume their general responsibilities for local administration and promotion of local development;
- To reduce differences in the relative potential of the Communes/Sangkats to mobilize their own revenue;
- To act as an incentive for building the capacity for good governance of the Communes/Sangkats Councils.

According to the sub-decree, the C/S Fund was to be governed by a Board consisting of representatives of MEF, MoI, and CDC plus three C/S Council representatives, to be selected by MoI from "different development level areas." However, this Board never met, possibly because of political difficulties over the choice of the Council representatives.

The Sub-Decree gave MoI the responsibility for authorising transfers from the C/S Fund account at National Treasury to the C/S Councils (through deposits into the accounts held by the Councils at Provincial / Municipal Treasury); for monitoring performance of the Councils in utilization of the Fund's resources and for reporting to the Fund Board. At Provincial level the Governor was responsible to monitor the compliance of the Councils with access conditions and the performance of the Councils in utilization of resources.

The Sub-Decree set the level of contributions to the C/S Fund from the National Budget as 2% of recurrent revenues in 2003, increasing to 2.5% in 2004. A further sub-decree in late 2004 provided that this amount would increase to 2.52% in 2005, 2.54% in 2006 and 2.56% in 2007. Despite the rather small increases in the proportion of recurrent revenues devoted to the Fund, the size of the Fund increased at between 15% and 20% each year in line with increases in domestic revenues.

The Sub-Decree provided that MEF will open a Commune Fund account in National Bank of Cambodia to receive external assistance contributions to the Fund. Up to 2006 the only deposits to this account have been from PLG (US \$ 2 million each year from 2002 to 2006) and RILGP (about US \$ 22 million in the period 2003 – 2007). However, the RILGP loan funds were regarded as part of the National Budget contribution to the Fund.

The Fund was divided into two components, a General Administration Component to be no larger than one-third of the total Fund, and a Local Development Component. The Sub-Decree provided that Councils demonstrating the capacity to make effective and efficient use of development transfers would be classified as in "Category 1" and all others in "Category 2." Only Category 1 communes would receive transfers for development. The intention was to effect a progressive expansion until all Councils were in Category 1. In 2002, the 509 communes which had previously formed Commune Development Plans with support from Seila were deemed to be in Category 1. In 2003, additional Councils were included in Category 1, but based on a planned expansion rather than an assessment of individual Council capacity or performance, and all other councils received small allocations of development funds. In 2004 and subsequent years all Councils received development transfers according to a formula comprising a base amount, an amount based on population and an amount based on a poverty index. Therefore, in practice evaluations of Council capacity or performance were not used as a basis for determining the size of development fund allocations.

All Councils received a transfer for General Administration proportionate to the number of elected Councillors.

The General Administration funds could be used for either administration or development expenditures. In the first years of the fund, the General Administration component was almost entirely absorbed by the mandatory expenditures on the salaries of Councillors and village



chiefs. However, as the total size of the fund increased the amount of discretionary funds available to the Councils from this source became significant.

The Local Development Component of the Fund could, according to the Sub-Decree, be applied to:

- The survey, design, construction, repair and maintenance of roads, bridges, markets, educational and health care facilities, community centers, irrigation networks and structures, agricultural storage facilities, water and power supply and other economic and social infrastructure.
- Personnel and other recurrent costs associated with the operation of the local infrastructure and the delivery of related services.
- Support of community development programs managed by local NGOs and community-based organization, including local education and information campaigns for women and youth, environmental protection and natural resources management and other programs impacting on the welfare of local population.

The Sub-Decree implied that eligible uses of both the General Administration and the Local Development Components of the Fund included both recurrent and capital expenditures. However, the accounting practice adopted was to treat the Administration component as recurrent revenue and the Development Component as capital revenue. In the latter case, it was not permissible to apply a capital revenue to recurrent expenditures. This difficulty was addressed by an instruction from MEF that Councils should be permitted to apply a proportion of the Local Development Component revenue to recurrent expenditures for development.

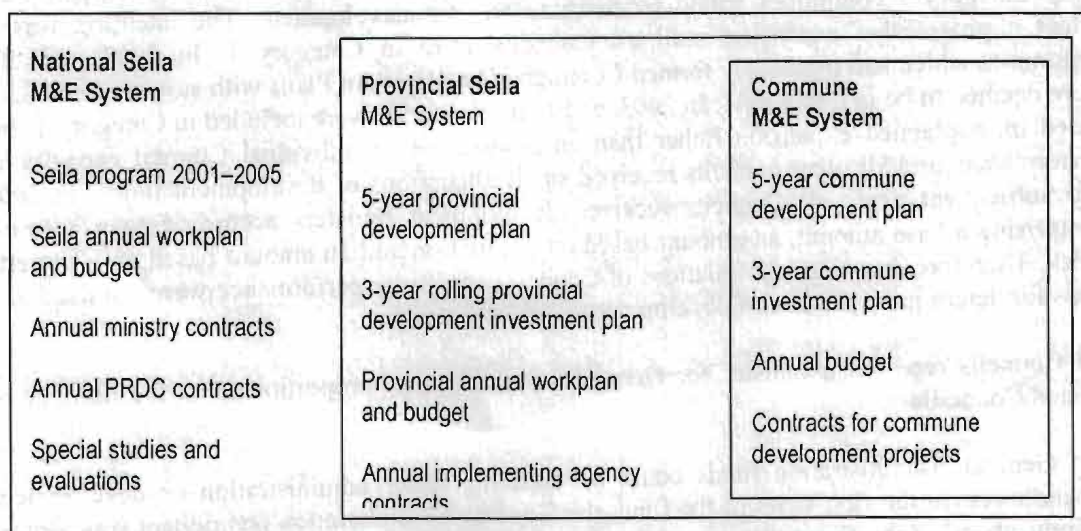
## 5.6 Monitoring and Evaluation

### 5.6.1 The Seila Monitoring and Evaluation Manual

The Seila Program Monitoring and Evaluation System was defined by the logical framework for the program and by the Monitoring and Evaluation Manual.

The M&E Manual described a “multi-layered” system with national, provincial and commune-level sub-systems. The national and provincial level sub-systems were fully Seila systems whilst the commune-level system was implemented by the C/S Councils and by the Ministry of Interior under authority of NCSC.

The M&E Manual depicted the content and relationship of these sub-systems in the following diagram:



The M&E Manual described the four key tasks in the M&E system, at all levels, to be:

1. **The development of the M&E system** including a common set of indicators, common procedures, and identifying what information is needed and how and when to monitor and evaluate;
2. **The gathering and management of information.** This involves tracking information on outputs, outcomes and impacts;
3. **Critical reflection to improve action;**
4. **The communication and reporting of results.**

The Manual also identified eight "key interest areas" derived from analysis of the logframe; these were: (1) Planning; Implementation and Progress; (2) Impact; Capacity Building; (3) Compliance / Systems; Management; (4) Partnership / Coordination; and Policy and Strategy. The Manual used these interest areas and the three levels of M&E to generate a matrix analyzing the status of the M&E system at the time of writing the manual in 2003. An updated version of this matrix forms the basis of Section 4.6.6 below.

### **5.6.2 National Roles and Responsibilities for M&E**

The national level M&E responsibilities defined by the M&E manual were subdivided into those of Ministries and other institutions that had contracts with STF for implementation of Seila activities, and those of STFS.

National Ministries and institutions had a Focal Point who was responsible to monitor and report on progress of these activities to STFS. The focal points also:

- monitored compliance of their departments, institutions, agencies or staff with Government and Seila systems and procedures, and checked if they were understood and being used properly, and performed quality control of outputs;
- assisted STFS in internal reviews of the systems and procedures pertaining to them, assessed whether they were effective and efficient and recommended changes as appropriate.

For STF, the Secretary-General had overall responsibility for ensuring proper monitoring, documentation and review of program implementation and for ensuring that reports were delivered to the Council of Ministers and to donors in a timely fashion.

The Chief of the Program Operations Unit (POU) was responsible to ensure monitoring of implementation of contracts between STF and national Ministries and agencies and P/M RDC, for management information systems and for routine physical and financial progress reports. The Chief of POU was assisted in this by the Contract Administration Officer, who was responsible for the Seila Contracts Database (SCD) and by the Financial Administration Officer.

The Chief of the Policy, Monitoring and Evaluation Unit (PMEU), assisted by the Monitoring and Evaluation Officer, was tasked to oversee the following M&E tasks:

- a systematic program of policy evaluation, research and analysis to generate studies, reports and policy recommendations for submission through the STF to policy making bodies within the Royal Government;
- organization of workshops and seminars to review program performance;
- Assisting the STF Secretary General in keeping donors updated on the progress of the Seila program.
- Coordination of studies and consultancy activities commissioned by the Donor Forum and financed through additional contributions to the Seila funding framework.
- Preparation of annual M&E work-plans and budgets;



- Ensuing that the Seila M&E system is understood and being applied by all implementing institutions;
- coordination of the overall provincial Seila monitoring process.
- Ensuring that the Seila reporting system is functioning and that the reports received from provinces and ministries are reviewed and consolidated.

### **5.6.3 Provincial / Municipal Roles and Responsibilities for M&E**

At the provincial level, M&E roles and responsibilities as defined by the manual were divided between the focal points of implementing agencies (principally, provincial / municipal line departments); program M&E tasks of PRDC-ExCom, discharged mainly by designated M&E officers in CAU, and M&E tasks of other ExCom units relevant to their specific roles and responsibilities.

The M&E tasks of the implementing agency focal points were defined by the M&E provisions of the PRDC-agency subcontracts. These subcontracts required the agency to:

- Monitor progress and implementation of their contracts with PRDC;
- Prepare and submit Monthly and End of Contract reports;
- Prepare and implement internal contract evaluation in cooperation with PRDC ExCom CAU (if/when deemed necessary)
- Assist in Seila sector, PIF and PDP impact evaluations as needed.

The CAU was to ensure regular monitoring and evaluation of the Annual Workplan and Budget and prepare progress reports for submission to the ExCom, especially:

- Ensuring that line departments and other contractors/suppliers report regularly and on a timely basis to ExCom;
- Reviewing the progress and final reports submitted by implementing agencies prior to their acceptance by the ExCom;
- Maintenance of the Seila Contracts Database, the Contracts Spreadsheet and the filing system on all contracts between ExCom and implementing agencies;
- An annual overview of Seila management structure and staffing, including turnover rates;
- Assisting the ExCom to ensure that the monitoring and evaluation of the annual workplan and budget is carried out in accordance with established guidelines and procedures;
- Support and training to Focal Points of implementing agencies;
- Coordination with the Local Administration Unit to ensure consistency between the commune and provincial monitoring and evaluation systems
- A workplan and schedule for direct monitoring and evaluation of specific Implementation Contracts in accordance with criteria approved by the ExCom;
- Documenting lessons learned within the Seila program including case studies and special research;
- Assisting external monitoring, review and evaluation missions visiting the province as required.

The ExCom LAU supported the Provincial Local Administration Unit (PLAU) to implement the responsibilities of the Ministry of the Interior (MoI) and the Provincial / Municipal Governor to monitor and evaluate the activities of C/S Councils. These responsibilities included:

- Monitoring and evaluating the performance and capacity of the communes to manage the implementation of the regulatory framework, to effectively administer the commune and to promote socio-economic development of the commune;
- Assisting commune-level monitoring and evaluation (see 4.6.5 below);

- Maintaining databases/spreadsheets and monitoring reports and prepare aggregated reports for submission through the ExCom to the national authorities in accordance with approved formats. This included overall responsibility for compilation of the Project Information Database (PID) although the actual tasks of data collection and entry for this database were shared with TSU.

The PLAU was responsible to compile monthly **Commune Monitoring spreadsheets** using a customised Microsoft Excel format. These spreadsheets recorded achievement of a set of training, planning, reporting and financial tasks by each commune, against the week in which the task was completed. The spreadsheets allowed the number of Councils completing each task in each week to be summarised at provincial and at national level.

#### **5.6.4 Internal Monitoring and Evaluation at Commune Level**

Monitoring and evaluation functions of the C/S Councils were defined in the Law on Administration and Management of Communes / Sangkats and in the Prakas on C/S Development Planning. The basis for this M&E was the C/S Development Plan and the Annual C/S Budget. The system consisted in essence of monitoring of activities and results by the C/S Chief directly or by responsible persons reporting to the C/S Chief; monthly reports on implementation by the C/S Chief to the Council, and periodic reports submitted by the C/S Chief to the provincial and national level through the PLAU. The C/S planning system provided for an evaluation of progress against the C/S Development Plan in the final months of the mandate of the council. Citizens of the local authority area were encouraged to be active in monitoring performance of the Council and in providing suggestions for improvements of Council services.

The guideline for implementation of routine M&E activities in the commune / sangkat was the C/S M&E Manual which was disseminated together with training delivered to all C/S councillors under the NCSC capacity building program in 2004.

Each C/S Council had two M&E Focal Points, one of whom (the internal M&E Focal Point) must be a councillor and the other (external) a PBC member of the opposite sex to the internal Focal Point. These Focal Points had the following responsibilities:

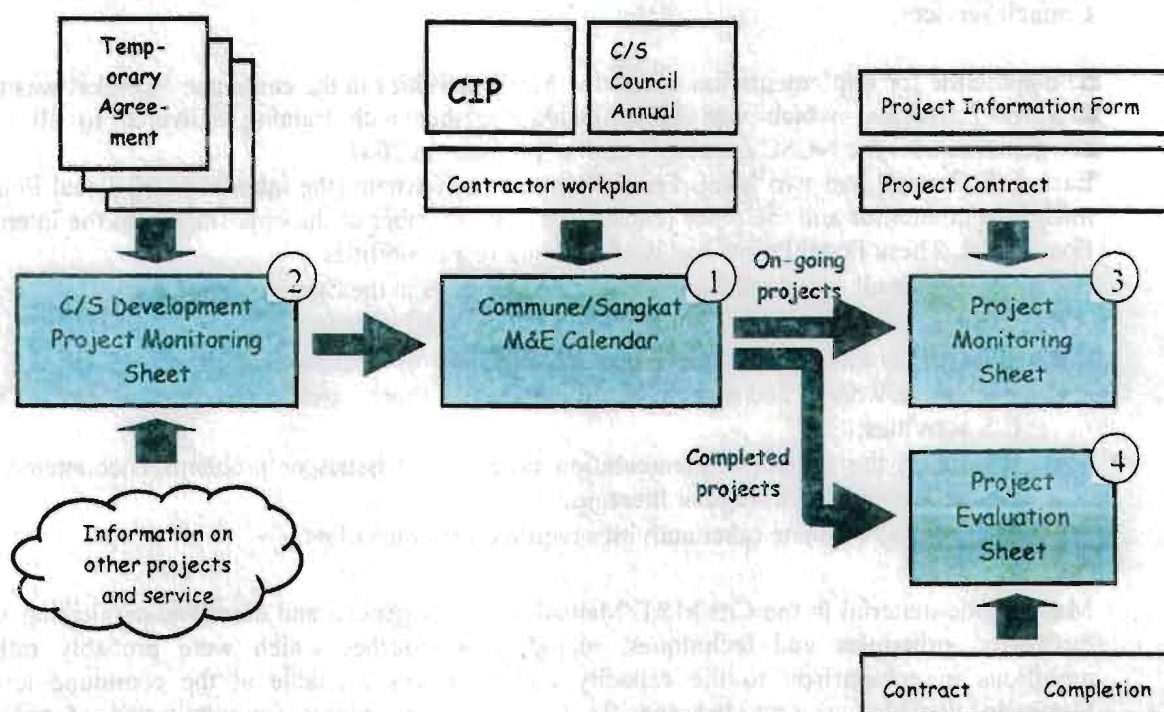
- Coordinate all monitoring and evaluation activities in the Commune/Sangkat;
- Train the other councillors in the basics of C/S M&E;
- Take part in meetings with technical staff on the project implementation;
- Encourage women and men living in the local authority area to take part in M&E of the C/S activities;
- Report on the project implementation process and issues or problems encountered to councillors or PBC in regular meeting;
- Monitor and evaluate other activities required by Councillors.

Much of the material in the C/S M&E Manual was very general and described monitoring and evaluation principles and techniques, including approaches which were probably rather ambitious in comparison to the capacity and resources available at the commune level. However, the Manual provided specific forms and procedures for monitoring of project implementation, including a "Development Project Monitoring Sheet," tracking progress of the project through the District Integration and implementation phases, (confusingly) a "Project Monitoring Sheet" with more specific information to be collected by site visits, and "Project Evaluation Sheet," to be filled in on completion of project activities and including simple indicators such as the level of satisfaction of the intended project beneficiaries.



The C/S M&E Manual described the following procedures for organisation of M&E tasks:

1. After the Council has approved the CIP and its annual budget, the M&E Focal Persons should study these documents to identify activities to be implemented in the coming year, and develop a draft M&E calendar.
2. The draft M&E calendar was then discussed with the Council, and with the PBC, Project Management Committee, user groups, etc).
3. After discussion, and if necessary, adjustments and corrections, the M&E calendar was approved by the Council.
4. For new and on-going projects, the monitoring was done using the project monitoring sheet. When a project was completed, the evaluation was done using the project evaluation sheet.
5. Every month, during the regular Council meeting, the M&E Focal Persons gave an update of what information they had gathered from their work, and the Council discussed what follow-up is needed to ensure the good implementation of development activities in the Commune/Sangkat.
6. At the end of each quarter, an assessment was made of the status of implementation of the Temporary Agreements (TAs) and other development projects, using the Development Project Monitoring Sheet.
7. Based on the information collected in the Development Project Monitoring Sheet, the M&E calendar was updated, to ensure that the development activities were properly monitored and evaluated.
8. At the end of the year, the information obtained from the monitoring and evaluation was used to prepare the Commune/Sangkat Annual Report.



The end-of mandate Internal Evaluation of the Council's work was conducted in the final quarter of 2006 under a guideline issued by MoI in cooperation with MoP. The guideline provided for the evaluation to be conducted by a committee comprising the C/S Chief, the internal and external M&E Focal Points; a councillor, two representative project beneficiaries and two representatives of community-based organisations. The committee was to carry out the following tasks:

- collect and analyze data on the Council's achievement and effectiveness of local development and service delivery, allowing local people, civil society representatives and other stakeholders the opportunity to participate and share their views and concerns;
- prepare an evaluation report and submit to C/S Council for review;
- disseminate the report to the public and stakeholders; and
- dispatch the C/S evaluation report to P/MLAU.

### 5.6.5 Database Systems

Monitoring and evaluation of the Seila Program was supported by a number of databases and management information systems (MIS) with a variety of content and functions according to program component. In general these systems facilitated the collection and compilation of data at sub-national levels, consolidation into a national data-set and retrieval, analysis and generation of standard and non-standard reports at provincial and at national levels. Most of the data were made publicly available through the Seila website. The most important of these systems are described below:

- The **Commune Database (CDB)** is a comprehensive national data-set of socio-economic data collected by village chiefs in every village in the country through the "village book" system (see 4.6.2 above). The data were updated annually and standard reports are generated, particularly the "Commune Profile" which was used as a data resource by C/S Planning and Budgeting Committees in Step 1 of the local development planning process. Supervision and maintenance of the CDB system was the responsibility of Ministry of Planning while technical support and programming for development of the system was provided by STF.
- The **Commune Development Planning Database (CDPD)** tracked the outcome of the District Integration process by recording the District Priority Activity Matrices (DPAM) and the Temporary Agreements made at District Integration Workshops. The data stored in this database allowed analysis of trends in the planning process including relationship between commune priorities and resources allocated, and proportion of temporary agreements successfully implemented. At the close of the Seila program responsibility for CDPD was handed over to MoP;
- The **Project Information Database (PID)** stored data on planned and actual outputs of Commune / Sangkat development projects; implementation contracts and costs; numbers of beneficiaries by gender etc. The PID was used as the basis for Statements of Expenditure (SoE) documenting eligible expenditures supported by World Bank through RILGP and by IFAD through CIDF.
- The **Seila Contracts Database** developed by STFS and operated by STFS-CAU at national level and ExCom-CAU at provincial level was the key management information system facilitating drafting, administration and monitoring of contracts between STF-PRDC and sub-contracts between PRDC and line departments. SCD was also used to monitor sub-contracts pursuant to donor agreements directly with PRDC, for example under UNICEF-Seth Komar. SCD allowed input of standardised outputs, activities, work-plans and unit costs. With the narrative sections of the contracts also input into the database, the software could generate the standard contract documents. The implementing agencies progressively developed the capacity to enter data to the SCD and to generate reports from it independently of ExCom and advisory support. SCD included tools for monitoring of expenditures against sub-contract budgets, although this function was largely replaced by use of the PeachTree accounting software in the final years of the program.



- The Sage “Peachtree” accounting software was introduced as standard throughout the Seila Program from 2003. This was also the most commonly used accounting software in national government institutions, although the State accounting system remains manual. It was believed that the successful establishment of capacity to operate the system in the PRDC-ExCom Finance Units represented the most extensive use of electronic accounting by sub-national government agencies in Cambodia to date.

### **5.6.6 Management Monitoring and Intervention**

Inevitably for a program of the size and complexity of Seila, issues requiring action by national level senior management arose frequently. The formal monitoring and periodic reporting systems described above were found to be generally too slow and cumbersome to facilitate timely intervention when required, whilst informal requests for assistance from provincial to national level did not always ensure that information was shared widely enough to facilitate efficient and coordinated action. The system that evolved to make good this need was a monthly table of “issues and challenges” compiled in each province and submitted to Phnom Penh through the PLG advisory team channel. The table contained columns to note the date when the issue was first identified; status “solved” or “pending”; and actions required for follow-up. This format proved very successful in allowing members of the management and senior advisory team, with varying responsibilities, to scan these monthly reports for items requiring their personal attention. Furthermore, the issues were then compiled into a summary table which had the dual purpose of analyzing the frequency of occurrence of each type of issue across provinces, and tracking management actions taken in response.

### **5.6.7 The Seila Annual Progress Report**

A large variety of reports were generated by the Seila Program and its components including the periodic reports required by the Seila – agency contracts, and specific reports required under donor agreements for the various projects operating within the Seila framework. These physical and financial reports, plus data obtained directly from the management information systems, were used to generate a consolidated **Annual Program Report (APR)**. The format of the APR varied somewhat from year to year but in general consisted of a narrative report of progress against the annual work-plan; narrative reports of program implementation activities divided thematically and by level of governance (national, province level, commune level), reports on the activities of STF and of the PLG advisory team, and a consolidated financial summary. A quantitative report against a sub-set of key log-frame indicators, agreed with PLG donors, was presented annually as Annex One of the annual report.

The workload of report preparation was spread widely amongst STF and Ministry officials and PLG advisers, however overall coordination and much of the drafting work was carried out by senior international advisers. Compilation of the data required for Annex One was a key task of the STF M&E Unit.

Data required for completion of the APR did not become fully available until the first quarter of the year following the report year. Thus, the APR was usually completed in draft form in March of the following year and finalised after consultations with donors in April or May.

### **5.6.8 Assessment of the Seila Monitoring and Evaluation System**

Using the system components described above, quantities of data on planning, financing and implementation activities of the Seila Program were collected, compiled, transmitted and made available for analysis by program stakeholders, management, government and external donors in a timely and efficient manner.

Data collected through the M&E system were used extensively to generate both periodic and specific reports required by government and donors, and to inform management actions and adjustments to program implementation strategy. Data were also used in a large variety of

external reviews, studies and evaluations. Because data were made publicly available to the maximum extent, data generated by Seila were frequently used for studies and for other purposes not directly related to the Seila program.

Despite these achievements and the demonstrated strengths of the system required for these in such a large and complex program context, at the end of the program weaknesses still remained in certain areas of M&E capacity. The most important general criticisms of the Seila M&E system were that:

- The many components of the system were not fully integrated either across program components or through the project planning, budgeting and implementation cycle. For example, similar activities were described using incompatible standard descriptions and units in the CDPD, the SCD and the PID. To some extent, these differences were the result of the different design features of the underlying systems being monitored, however these differences made certain types of analysis, particularly linkages between planning priorities, and project outputs, and summary of outputs across Province, district and commune levels, difficult;
- Systematic monitoring was limited to planning, budgeting and implementation phases. No systematic monitoring of the sustained success of project outputs, or of physical or socio-economic impacts was carried out. Impact evaluation was limited to occasional studies and even these are few in number compared to the numerous studies of program process issues.

The Seila M&E Manual, compiled in 2003, presented an analysis of the state of development of the system at that time as a matrix of key interest areas against levels of government. This updated matrix is presented below to show the status of the system at the end of the program.

<b>Table 6 : Analysis of State of Development of M&amp;E System</b>			
<b>Key interest area</b>	<b>Commune</b>	<b>Province</b>	<b>National</b>
<b>Planning</b>	Described in general terms in C/S M&E Manual; specific guidelines for end-of-mandate internal evaluation.	Well established	Well established
<b>Implementation and Progress</b>	Some specific guidelines in C/S M&E Manual but implementation quality uncertain	Well established, Project Information Database (PID) fully functional	Partly established
<b>Impact</b>	Not available, needs to be developed	Contract evaluation established, impact evaluation not done.	Impact evaluation at goal level not available, needs to be developed.
<b>Capacity Building</b>	General advice in C/S M&E Manual	Well established, but needs some adjustments and the development of standard training manuals.	Partly established
<b>Compliance / Systems</b>	Not available, needs to be developed	Established, but needs adjustment for Commune monitoring	Established, but needs further development
<b>Management</b>	Not needed	Well established	Established
<b>Partnership / Coordination</b>	Not available, needs to be developed	Some aspects being monitored, but needs further development and standardization	Established



Table 6 : Analysis of State of Development of M&E System			
Key interest area	Commune	Province	National
Policy	Not needed	Not needed	Not available, needs to be developed

### 5.7 C/S Fund Accountability System

The C/S Fund Accountability System was established by a decision of NCSC in June 2005, in response to the concerns of stakeholders regarding the accountability of management of C/S Fund resources. Whilst the system did not solve all these issues immediately, and there was some evidence of uneven implementation of the system between provinces / municipalities in the first 18 months of operation of the system, at the end of the Seila Program discussions were under way about expanding the remit of this system to cover all resources programmed through the Annual Work-Plans and Budgets of P/MRDC.

The C/S Fund Accountability System was implemented primarily through the Accountability Working Groups described in Section 3.5 above. These Working Groups (AWG) were established with a mandate coincident with the mandate of the C/S Councils.

The essential features of the Accountability System as described by the Decision of NCSC were as follows:

- Dissemination to the community of information on rights of stakeholders to monitor accountability issues relating to the C/S Fund, and the procedure for bringing issues to the attention of the AWG;
- Provision of "Accountability Boxes" for submission of written complaints, in locations to which community members had easy access;
- Monthly collection of submissions, which are brought still sealed to the meeting of the AWG;
- Systematic recording of issues received through the Accountability Box system, or referred to the AWG by other means;
- Assignment of AWG members to investigate issues and report back to the AWG;
- Disciplinary measures and sanctions approved by the AWG for application in case that misuse of C/S Fund resources is identified;
- Enforcement of decisions by ExCom Units, line departments and other related institutions.

The National C/S Accountability Working Group had the right to attend and observe the proceedings of the Provincial / Municipal AWG. In addition, the meetings and actions undertaken by the P/M AWG were regularly reported to the national level.

## 6 Building Human Resource Capacity

### 6.1 Capacity Building Approaches Under Seila

#### 6.1.1 General

The preceding chapters of this report have dealt with Seila achievements in supporting institutions and systems for implementation of deconcentrated and decentralised governance reforms. This chapter deals with efforts to strengthen the human resources needed to staff the institutions and to operate the systems.

The quantity and variety of activities conducted within the Seila framework that aimed at strengthening human resource capacity were very large. However, elements of a common "Seila" approach to capacity building were to be found throughout this range of activities. These elements comprised:

- clear description of roles and responsibilities of individual staff members;
- transparent, merit-based selection of staff;
- annual performance reviews;
- concise guidelines for operation of systems;
- formal training;
- "learning by doing," i.e. capacity strengthening through experience on the job;
- sharing of experiences through thematic workshops.

The strength of the Seila approach to capacity building was recognised by the Mid Term Review (MTR) of Seila and PLG, which commented that *"a great strength of the Seila Program has been its establishment of clear operational goals, procedures, guidelines, job descriptions and manuals and then, based on these, to organise highly focussed training."*

As also noted by the MTR, the institutional environment of the Cambodian civil service does not facilitate capacity building efforts. Staff of line Ministries and Departments commonly have no clear job descriptions, are not appointed on merit or qualifications, are not subject to systematic performance reviews, and perhaps most importantly, the salary and promotions structure does not provide them with adequate incentives to increase their skills and knowledge. Efforts at self-improvement are widespread – sometimes to the point where individuals are more focussed on educational endeavours than on performing the task in hand – but the principal motivation for these efforts seems to be the possibility of finding employment outside, or additional to, the staff member's assigned Civil Service role.

The significance of these difficulties to an evaluation of the capacity building efforts of the Seila Program is twofold. First, the difficulty of each initiative was increased by problems of widely varying and sometimes rather low general educational level of the trainees; low motivation of trainees, and often, the difficulty of identifying the appropriate group of trainees for any particular training. Second, and of more strategic significance, the civil service system has limited capacity to retain and to deploy effectively the most motivated and best trained of its staff members. Individual civil servants, even while performing Seila functions with a high degree of ability and commitment, were liable to see the skills and knowledge gained through Seila as a route to employment with an NGO or international agency – indeed, some became PLG advisers during the course of the program.

It is also important to understand that the objective of capacity building under Seila was not to transmit a fixed and limited scope of knowledge and skills, defined at the outset of the program, to a fixed and limited target group. Rather, as both Seila and the wider government program of



deconcentration and decentralisation reforms evolved, there was a constant need to absorb, analyse and transmit new skills to new target groups.

Both because of the difficulties noted above, and because of the dynamic nature of the program, it is a mistake to conceive that capacity building activities under Seila were, or should have been, a time-bound endeavour that at some stage should have been substantially "completed." This is of especial relevance in considering the proportion of PLG resources expended on TA for capacity building. Some commentators have believed that the failure of the level of capacity building efforts to decrease over the project lifespan implies that the same group of trainees were being repeatedly trained in the same set of skills. Neither parts of this proposition are true.

In the following sections the main types of capacity building activity undertaken by Seila are discussed in more detail, in relation to building human resources in national and provincial government agencies. Separate sections are devoted to capacity building of local councillors, contractors and civil society organisations. It should be noted that beyond the capacity building efforts described in this chapter, Seila also supported substantial training efforts targeted to individual beneficiaries, for example in the agriculture sector.

### **6.1.2 Personnel Management as a Foundation for Capacity Building**

As noted above, the weakness of personnel management and individual incentives to perform and improve, within the Cambodian civil service, results in an environment that is not conducive to the success of direct capacity building efforts. Seila attempted to address these problems, particularly within specific Seila institutions at national and provincial level where the program had freedom to innovate. Measures taken included:

- All government staff seconded to STFS or receiving salary supplements within their National Ministries or within PRDC-ExCom, had clear job descriptions specifying their roles and responsibilities, and their administrative accountability relationships, within the Seila framework;
- To the greatest extent possible, recruitment to Seila positions was merit based. This was not possible in all cases (for example, most ExCom unit chiefs were appointed ex-officio as a function of their positions as Directors or vice-Directors of relevant line departments); however most STFS staff and technical officials of ExCom were appointed by open recruitment from amongst civil servants eligible to apply;
- all STFS staff and ExCom unit staff were subject to annual performance appraisals. Whilst these appraisals were not uniformly effective, there were many individual cases of officials who had failed to perform adequately, being dismissed from their Seila roles as a result of these appraisals.

The total numbers of staff subject to these personnel management arrangements are summarized in the following table.

**Table 7 : Civil Servants subject to Seila personnel management procedures**

Category	Number (2006)		Job Description	Annual Contract	Merit based recruitment	Annual Performance Appraisal
	Women	Men				
STFS staff	7	36	All	All	Most	All
Ministry Focal Points	16	51	All	No	No	No
ExCom Unit staff	1489	305	All	All	Most	All

### 6.1.3 Concise Operational Guidelines

A notable feature of the Seila approach to developing capacity within Government agencies to perform financial, administrative and technical tasks, was the production of highly detailed guidelines, always in the Khmer language, leading the user step-by-step through each procedure, illustrated by realistic examples and making extensive use of standardized forms for development or recording of each step. Almost all the systems described in Section 4 of this report were articulated in this way.

The existence of these guidelines facilitated both formal training and the learning-by-doing approach described below, and allowed officials with relatively low levels of general or of technical training to apply the procedures in practice.

The drawback of this approach was that in some cases, filling in forms could become seen as an end in itself, to the exclusion of process, and the very fact that officials could implement the procedures without having a strong contextual or theoretical understanding, could result in a loss of quality as compared the ideal of a process implemented using skills founded on a grasp of the underlying concepts. Guidelines produced by or supported by Seila were often criticised for being over-complex or over-detailed, or for containing too many forms; however it was at least equally common for users to complain about the lack of a detail concerning some particular aspect or the lack of a standard form for some part of the process.

### 6.1.4 Formal Training

Target groups for formal capacity building of government staff under Seila consisted of STFS staff members, officials and particularly, Seila focal points of Seila Task Force ministries, PRDC-ExCom unit staff and officials of Provincial line departments. Trainings may be divided (broadly) into those designed to foster an improved understand of cross-cutting issues, most particularly gender mainstreaming, decentralisation concepts and the principles of good governance, and those designed to impart specific technical skills and capacity to implement specific procedures.

PLG advisers were involved in developing training materials and in delivering training, either as trainers, facilitators or resource persons, in almost all internal Seila trainings. In many cases PLG staff worked alongside skilled staff of the concerned Ministry to develop and deliver trainings, and in doing so, assisted the Ministries to enhance their internal capacity building abilities.

Seila also supported government staff to join external trainings on specific topics, for example trainings organised by MEF and World Bank to build capacity in the administrative, procurement and financial management skills required for World Bank projects.

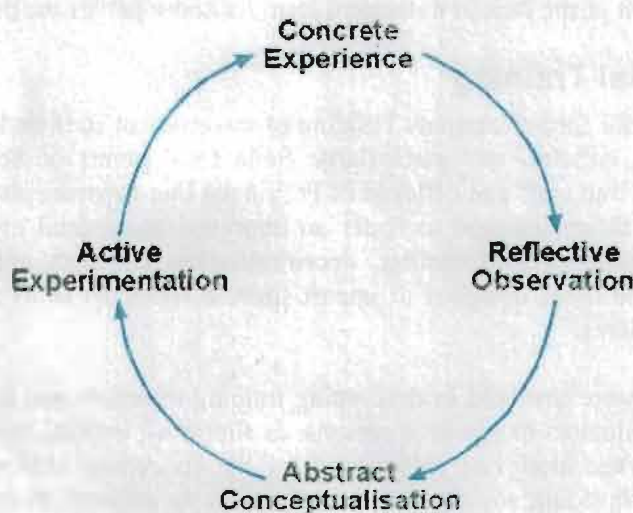


The following table summarizes delivery of formal training to government officials within or supported by Seila. The data have been extracted from the Seila Training Inventory as annexed to the Annual Progress Report.

Table 8 : Training of Government Officials under Seila			
Training Topic	Total trainee-days		
	Women	Men	Total
Decentralisation	77,414	1,116,654	1,194,068
Good Governance	212,211	756,467	968,678
Gender Mainstreaming	844,831	1,740,975	2,585,806
Planning	757,585	5,266,103	6,023,688
Finance and Administration	323,124	2,527,311	2,850,435
Sectoral technical skills	2,069,940	1,892,323	3,962,263

### 6.1.5 Learning by Doing and Experience Sharing

Learning by doing is an integral part of all skills-based human activity. However, it is not an automatic process that will inevitably result, given time, in any group confronted with a new task eventually acquiring the skills needed to implement the task to a high standard. Without support from formal training and adequate guidelines, and without the opportunity and encouragement to share each individual increment of capacity or understanding amongst the group as a whole, reliance on learning by doing is more likely to result in lowered expectations and a culture of acceptable mediocrity. Conversely, formal training delivered to trainees who have no direct experience of the subject matter, and who have no immediate opportunity to put the skills learned in the training into practice, is wasteful and ineffective and likely to generate cynicism about the whole purpose of the capacity building effort, so that officials may see it as no more than an opportunity to collect meaningless certificates or even an expenses-paid trip for a few days at a desirable location. The integration of concept, experience and reflection needed for fully effective learning is illustrated in the following diagram:



Seila followed a strategy of capacity building in which learning by doing was a central element, placed in the appropriate context to result in progressive and sustainable improvement in knowledge and skills. Inevitably, given the nature of the program, government officials seconded to Seila at national and more particularly at Provincial level were assigned tasks that

<sup>10</sup> Kolb's Experiential Learning Theory, extracted from Learning By Doing, Gibbs, Graham (1988)

were beyond their previous experience or that required technical skills that they did not already possess. Equally importantly, the Seila officials were expected to understand and operate appropriately with regard to cross-cutting issues such as gender mainstreaming, concepts of decentralisation and good governance and participatory approaches which they had not encountered previously. Formal training was designed to equip these officials with both an understanding of context and with relevant practical tools, and general skills were acquired within a specific context.

Formal training and learning by doing were complemented by extensive use of thematic workshops at which participants were encouraged to reflect on experiences and to share ideas and innovations, often with officials grappling with similar issues in other provinces. As the national level officials and advisers who developed the guidelines and delivered the trainings also participated in these events, the outputs included improvements to guidelines and to training techniques and materials as well as to the breadth and depth of participants' understanding of the topics.

## *6.2 Building Capacity of PRDC-ExCom*

The programme management capacity of PRDC-ExCom was strengthened progressively throughout the Seila Programme, making use of all the capacity building approaches described above.

The notable success of Seila in this regard is demonstrated by the fact that at the end of the Seila Programme the PRDC-ExComs were performing all the routine programme, financial and administrative tasks related to implementation of an annual sub-national programme budget of US \$ 40 million of which less than 5% was technical assistance at the sub-national level.

The success of Seila capacity building efforts was recognised by respondents to the survey of ExCom members' opinions conducted in 2006 (see Volume 3 of this report). Seventy-five percent of all respondents cited the acquisition of skills for effective financial, administrative and organizational management as a key benefit from ExCom engagement in the Seila Programme.

## *6.3 Capacity Building of Provincial Line Departments*

Capacity building efforts to Provincial line departments were of two types: general skills development including financial and administrative skills and strengthened understanding of cross-cutting issues such as gender mainstreaming, environmental awareness, participatory development approaches etc; and sector-specific skills development.

The survey of line department opinions conducted in 2006 (see Volume 3) found that respondents cited the technical and administrative capacity building they had gained through participation in Seila, more highly than benefits such as improved horizontal coordination of development efforts.

## *6.4 Building Capacity of C/S Councils*

The Commune / Sangkat Council elections in May 2002 resulted in 1,016 women and 10,245 men being newly elected to serve as local councilors. None of these men and women had any previous experience as an elected representative. Some had experience as appointed Commune or Village chiefs, but the range of tasks, operating procedures and expectations of these officials were substantially different from those of the new councils. Even those councillors with previous exposure to participatory planning and development project implementation under Seila, were not equipped with any of the specific administrative and financial management skills needed to fulfill their new role effectively.



Meanwhile, the NCSC was in the early stages of an intensive program of development of guidelines and regulations to govern the operations of the councils, pursuant to the general Law on Administration and Management of Communes and Sangkats (LAMC). The task of transmitting and adequate understanding of this body of procedures to the councils and of developing the conceptual understanding and practical skills required to implement the procedures, was assigned to the Capacity Building Sub-Committee of NCSC and for implementation, to the Department of Local Administration (DoLA) of Ministry of Interior.

Throughout the first mandate of the C/S Councils the NCSC, through DoLA, maintained and intensive capacity building program aimed at training councillors in financial and administrative duties, concepts of governance, planning, procurement, project implementation, monitoring and evaluation and diverse other topics. Most training was delivered through a "cascade" methodology with a master training in Phnom Penh, a training of trainers (ToT) at provincial level and final delivery of training to C/S councillors at commune or district level, with the trainers in most cases being the Provincial and District Facilitation teams (PFT / DFT) of LAU. Core funding for curriculum development was provided by the ADB CCSP; however PLG advisers including a part-time international Capacity Building Adviser supported by a multi-disciplinary national PLG advisory team within DoLA, provided intensive support to DoLA to draft training materials and to deliver of master trainings, as well as to monitor the "downstream" trainings at Provincial and commune level. Support for training on social topics also came from the Seila partner UNICEF-Seth Komar programme and indirect inputs on project design and implementation, particularly in the fields of procurement and of environmental and social safeguards, were provided through World Bank – RILGP. PLG provincial advisers joined counterpart staff as master trainers at provincial level. Training costs at Provincial and commune level were supported almost entirely through the ExCom operations budget financed by PLG and other Seila partners.

The following table summarizes the trainings delivered by the NCSC capacity building program from 2002-2005 and notes the role played by PLG in support to these initiatives.

Table 9 : PLG Contribution to NCSC Capacity Building Programme									
Months	Title	Duration		Target Group			PLG inputs		
		TOT	CS Level	Target	No	% female	Drafting	Delivery	Financing
2002									
03-05	Orient.Decentralisation	5	4	PFT,DFT, CC, Clerk	12,408	9.45	YES	YES	PLG
05-06	CS Financial Mgt System	4	3	PFT,DFT,CC,,Clerk	12,035	9.62	YES	YES	PLG
07-08	Planning	5	4	PFT,DFT, CC, Clerk	17,124	12.64	YES	YES	PLG
11-12	Project Preparation	4	3	PFT,DFT,CC,Clerk	9,100	8.01	YES	YES	PLG
2003									
02	Procurement/Contract mgt	4	4	PFT,DFT,CC,Clerk	12,309	9.72	YES	YES	PLG
02-11	CS Reporting System	1	1	PFT,DFT,CC,Clerk	5,801	6.90	YES	YES	PLG
03	Financial Refresher	4	3	PFT,DFT,CC,Clerk	6,546	7.29	YES	YES	PLG
08	CS 3 year rolling CIP	4	3	PFT,DFT,CC,Clerk	20,682	16.84	YES	YES	PLG,ADB
09	Highland People	4	3	PFT,DFT	55	7.27	YES	YES	PLG
11-12	Env impact and land acqu	4	3	PFT,DFT.DoE	1,225	11.35	YES	YES	PLG

2004										
02	CS Fund Project Implem	4	4	PFT,DFT,CC,Clerk	12,504	9.88	YES	YES	PLG,ADB	
04	Facilitation skills	10	10	PFT,DFT	2,040	15.15	YES	YES	PLG,ADB	
05	Monitoring and evaluation	3	2	PFT,DFT,CC,Clerk	6,174	24.49	YES	YES	PLG,ADB	
06	Highland people	3	3	PFT,DFT	85	7.06	YES	YES	PLG	
08	Civil registration	4	4	PFT,DFT,CC,Clerk	12,432	9.52	YES	YES	ADB	
2005										
03-06	CS Fund project Implemen	3	3	PFT,DFT,CC,Clerk	9,422	13.71	YES	YES	PLG,ADB	
04	Highland people	3	2	PFT,DFT	336	22.27	YES	YES	PLG	
04	PLAU structure	3	3	PFT,DFT	1,855	7.76	YES	YES	PLG,ADB	
06-08	Civil registration	2	2	PFT,DFT,CC,Clerk	6,033	4.72	YES	YES	ADB	
08	C/S Association	4	4	CC	3,210	7.10	YES	YES	UNDP	
12	C/S Administration	3	3	PFT,DFT,CC,Clerk	7,998	7.26	NO	NO	PLG,ADB	
12	C/S Good governance	3	3	PFT,DFT,CC,Clerk	12,166	9.19	YES	YES	PLG,ADB	
2006										
04	CS NRM project prep+sele	2	2	PFT,DFT,CC,Clerk	4,096	34.62	YES	YES	PLG	
05	NRM mainstreaming CIP	2	2	PFT,DFT,CC, Clerk	1,347	17.98	YES	YES	PLG	
05	Village Chief selection	2	2	PFT,DFT,DGov,CC,Clerk	14,150	10.39	YES	YES	RGC	
05-12	CS Association		3	CC	916	15.17	NO	NO	UNDP	
06-07	Prevention of violence	3	3	PFT,DFT,DWA,CC,Clerk,WCFP,VC	19,213	12.44	YES	YES	PLG,ADB, GTZ	
07	CS Action on educatio	2.5	2.5	PFT,DFT,DYEYS,CC,WCFP,VC,volu	10,335	19.39	YES	YES	PLG,ADB, UNICEF	
09	CS Internal evaluation	3	3	PFT,DFT,CC,Clerk	14,302	21.02	YES	YES	PLG	
08-09	New clerk training		15	New clerks	145	27.59	YES	YES	ADB	
10	Child Rights	2.5	2.5	PFT,DFT,DSA,CC,Clerk,WCFP,VC,police,	2,373	29.62	YES	YES	PLG,ADB, UNICEF	
10	Child Protection	2.5	2.5	PFT,DFT,DSA,CC,Clerk,WCFP,VC,police	2,301	21.86	YES	YES	PLG,ADB, UNICEF	

Turner (2004) made an independent assessment of the NCSC capacity building program on behalf of the Seila Program Advisory Team (PAT). Findings of Ninh and Henke (2005) are also a reflection of the achievements of this effort. Turner found that the program had been notably successful in developing the capacity to design and deliver trainings, and to deliver trainings to the commune level. Turner was more cautious about the effectiveness of the cascade methodology, noting the risk of loss of content quality inherent in this system. However, Turner reported positive feedback about the appropriateness and content of the trainings from councillors and concluded that no more suitable system for training delivery was available in practice.

### 6.5 Private Sector Capacity Building

Capacity building of the private business sector was not a core output of Seila. However, the delivery of a large, geographically dispersed program of local infrastructure investments through the C/S Fund, with implementation by local private contractors, is believed to have given a considerable boost to the private construction sector and to have exposed many local contractors to experience of transparent procurement, contracting and implementation procedures.



Contractors who pre-qualified to bid for the C/S Fund contracts were given direct training in procurement procedures and in technical matters, with training generally led by the ExCom-TSU with assistance from the PLG Infrastructure Adviser.

## 6.6 Civil Society Capacity Building

Capacity building efforts to civil society through Seila were directed mainly at community based organisations and user groups, including farmer committees, water and sanitation groups, groups formed to contract for local road maintenance activities and so on. Although most of these efforts were local and small-scale, the total amount of training delivered was quite large, as illustrated by the following table. Training was in the main delivered by Provincial line department staff or by staff of ExCom with support from PLG advisers.

Table 10 : Capacity Building for Civil Society

Training Topic	Target Group	Number of Trainee-days		
		Total	Women	Men
Agricultural Extension	Farmers	18,340,068	2,618,684	15,721,384
Basic Health	Villagers, nurses	30,107,477	12,666,333	17,441,144
Culture	Villagers, nurses	4,286,027	2,413,604	1,872,423
Decentralization/Good Governance		239,137	70,810	168,327
Education		1,204,708	415,237	789,471
Gender, women, children	WCFP, villagers	22,352,166	13,507,693	8,844,473
Land Law and Environment	Students, teachers, villagers	12,498,049	5,297,402	7,200,647
Management/Use of infrastructure	Contractors, users	71,075,924	30,378,707	40,697,217
Planning	VC, PBC	573,433	10,512	562,921
<b>TOTAL</b>		<b>160,676,989</b>	<b>67,378,982</b>	<b>93,298,007</b>

## 7 Partnership

### 7.1 General

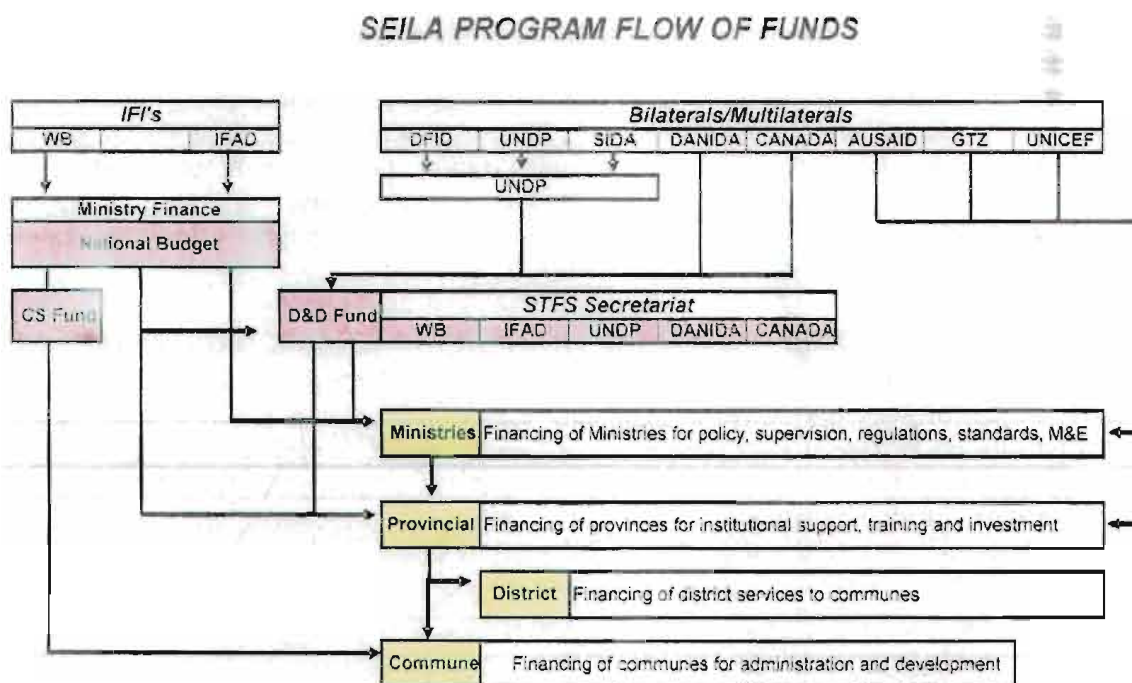
Partnership was the organizing principle of the Seila Program at all levels. The objective of the Seila Partnership Framework was to maximize the amount of domestic and external resources that were:

- managed by the established provincial/municipal management systems under the authority of the Governor; and/or
- jointly programmed each year to support the Royal Government's local governance and local development objectives.

As called for by the OECD guidelines, the effect of harmonisation and partnership was to greatly reduce transaction costs associated with external resources. This was of especial importance in a highly aid-dependent country such as Cambodia.

Partnerships within Seila were complex and multi-dimensional. To facilitate description, the following sections describe the salient features of partnership according to the point of entry of the partner agency into the Seila system; with various types of partnership formed at national and at provincial level or with the local authorities through the District Integration Process.

The following diagram illustrates the range of formal partnership arrangements, involving fund transfers, within the Seila Partnership Framework. This does not capture the multitude of informal or non – fund transferring partnerships, which are described briefly in the following sections.



### 7.2 Seila Partnerships at National Level

Two types of formal, contract-based partnership existed in Seila at the national level. The first of these was defined by donor agreements between Seila donors and STFS, and the second type was between STFS and the Seila Task Force Ministries.



Seven major donors channelled funds for activities in support of D&D through STFS; these were the PLG partners UNDP, DFID and SIDA; the World Bank, IFAD, Danida and Canadian CIDA.

To support implementation of national-level activities for D&D reform and to support decentralized investment implementation, STFS formed partnerships with 11 Ministries and five other national government agencies. These partnerships were defined by contracts as described in Chapter 5. The outputs of these arrangements are described in Chapter 10.

Beyond these formal arrangements, both STFS and the PLG advisory team were active in informal dialogue and partnership-building, including participation in policy and strategic dialogue on sectoral and thematic issues, and dialogue with a wide range of donor agencies beyond those formally engaged in the Seila framework. The PLG senior advisory team maintained an "open door" policy for provision of information, advice and where possible, support to all actors in governance reform and development efforts in Cambodia.

### *7.3 Seila Partnerships at Provincial level*

Four major international donors (AusAid, GTZ, UNICEF and European Union) as well as a number of national and international NGOs, channeled funds directly or indirectly through formal partnership arrangements made with PRDC at provincial level. As described in Chapter 5, PRDC then used these funds to support activities by a range of implementing agencies, principally provincial line departments of technical Ministries but also a significant number of NGOs and private sector firms.

PRDC also acted as a focus for broader partnership-building between development actors in the province, for example by organizing Provincial Development Forums.

The PLG advisory team in the province, and particularly the SPPA, commonly acted as a source of information for development agencies, about the general situation in the province, to assist with access to specific data, for example commune development plans, socio-economic data and so on, and as a facilitator of contacts between NGOs and other development agencies on the one hand and the Provincial Administration on the other. It is believed that the value of this partnership-building function of the PLG advisory team has not been fully appreciated in previous evaluations of PLG and Seila which focussed on the technical assistance and capacity building aspects of the advisory team work.

### *7.4 Partnership Building Through the District Integration Process*

The District Integration Process, which was designed by Seila and has been officially adopted as part of the sub-national programming system, provides the forum wide range of agencies including Provincial Government departments acting as implementer for Seila PIF funds, for State budget funds or for external assistance funds channelled through a sectoral project; national and international NGOs and even private benefactors, to enter into partnership arrangements directly with the local authorities. The process ensures that the resources disbursed through these partnerships are programmed in a transparent, demand-driven and rational way maximising synergy between donors and implementers. The mechanism for this process has been described in Chapter 5.

The growth in the number of partnership agreements formed through this process has grown exponentially and in 2005 alone, over 35,000 agreements between line departments, NGOs and C/S Councils for small scale services and investments were implemented as a result of the 2004 District Integration Workshops. Study tours to Cambodia from many countries, both in the region and across the world, consistently found the District Integration process to be a highly innovative and positive feature of Cambodia's reform program representing a contribution to global experience.

The following table illustrates the volume of "temporary agreement" partnership arrangements entered into through the District Integration Process by year. Further details of these partnerships and of outcomes are presented in Annex 1.

<b>Table 11 : Summary of Temporary Agreements from District Integration Process</b>				
<b>Year</b>	<b>Number of Temporary Agreements signed</b>			<b>Total</b>
	<b>Line Department</b>	<b>NGO/IOs</b>	<b>Others</b>	
2002	19,643	10,724	0	30,367
2003	21,614	11,117	0	32,731
2004	21,513	15,624	472	37,609
2005	21,969	14,391	28	36,388
2006	22,309	15,042	304	37,655
<b>Total</b>	<b>107,048</b>	<b>66,898</b>	<b>804</b>	<b>174,750</b>



## SECTION C: SUB-NATIONAL INVESTMENT PROGRAMMES

### 8 Decentralized Investments

#### 8.1 Scope

This chapter reports on financing and outputs of investments in public goods and services through the budgets of the Commune-Sangkat Councils. The core funding available to the Councils for these projects was the Commune-Sangkat Fund; this was supplemented by a number of projects operating within the Seila Framework and providing funds to C/S Councils within specific geographical areas or earmarked for specific purposes. Councils also raised money for development investments by collecting contributions from project beneficiaries or from the general population.

In addition to these “on-budget” fund sources, a number of projects provided funds to support projects promoted by or under partial management of the C/S Chiefs, using project-specific financial management systems in which funds were not reflected in the official C/S Budget or deposited in the C/S account at Provincial / Municipal Treasury.

#### 8.2 Resources

##### 8.2.1 Commune-Sangkat Fund

The structure and general financial management system of C/S Fund has been described in Chapter 5. This section reports on financing and performance of the Fund by year. Outputs of the C/S Fund investments are reported jointly with other fund sources further below.

The following table shows the amount of C/S fund allocations to by component and year.

Table 12 : Resources Allocated to Commune-Sangkat Fund By Year						
Year	Funds Allocated (Riel)				Year-on-Year increase	# Communes Receiving Full Development Allocations
	Administration	Development	Total	USD equivalent		
2002	13,848,230,000	16,839,680,000	30,687,910,000	7,868,695		505
2003	19,388,797,000	32,030,731,000	51,419,528,000	13,184,494	68%	1,037
2004	19,333,333,000	38,666,667,000	58,000,000,000	14,500,000	10%	1,621
2005	20,712,000,000	45,388,000,000	66,100,000,000	16,320,988	13%	1,621
2006	24,645,200,000	53,168,800,000	77,814,000,000	18,527,143	14%	1,621
Total	97,927,560,000	186,093,878,000	284,021,438,000	70,401,320	135%	1,621

C/S Fund administration component was financed entirely from State revenues. The local development component was financed by State revenues supplemented by an annual grant of US \$ 2 million from PLG and by funds reimbursed from the World Bank RILGP loan.

The PLG grant was not earmarked by province or type of activity supported and expenditure was not accounted for or reported separately from the general C/S Fund resources. The RILGP loan funds were provided in the form of support to specific eligible contracts (termed “RILGP sub-projects”) in target provinces. Seven provinces were included in RILGP in 2003, expanding

to eleven in 2004 and to fourteen in 2005-2006.<sup>11</sup> However, the sub-projects were not pre-financed from the loan funds. Instead, eligible sub-projects were retrospectively identified from all contracts implemented using C/S Fund resources in the target provinces in each year (representing about 80% to 90% of the total). Statements of Expenditure (SoE) for these eligible sub-projects were compiled by STFS based on Provincial Treasury payment records and were submitted to World Bank through MEF. World Bank then reimbursed the amount of the approved SoE to the Government. Although this was not a loan condition, from late 2003 the Government agreed that all reimbursements from RILGP would be used for further financing of C/S Fund Development Component. Therefore, the financing effect of RILGP was a fund flow in support of the resources available to C/S Fund nationally, although accounted for against specific expenditures committed by C/S Councils usually about six to nine months previously.

The following table shows financing of the C/S Fund by fund source and year, with the RILGP contribution shown in the year of the **reimbursement**, which could be the year following the budget year of the contracts supported.

Table 13 : Financing of the C/S Fund Local Development Component By Year (US\$)							
Year	Domestic Revenues		RILGP		UNDP-PLG		Total
	Amount	%	Amount	%	Amount	%	
2002	2,755,241	65%	0	0%	1,454,679	35%	4,209,920
2003	5,103,023	64%	904,659	11%	2,000,000	25%	8,007,683
2004	3,140,479	32%	4,526,188	47%	2,000,000	21%	9,666,667
2005	4,854,028	43%	4,492,972	40%	2,000,000	18%	11,347,000
2006	5,737,098	43%	5,555,102	42%	2,000,000	15%	13,292,200
Total	21,589,869	46%	15,478,921	33%	9,454,679	20%	46,523,470

Note: RILGP amounts represent actual cash flows from IDA to RGC in respect of Statements of Expenditure

Execution of the Cambodian National Budget is subject to delays and uncertainties caused by cash flow shortages and by contingencies requiring unplanned expenditures. It is common for State agencies to report that allocated budget amounts are not actually received or are received so late in the year that it is not possible to disburse the funds in an effective manner. The C/S Fund suffered from these problems in common with other budget items; however it is believed that the performance of C/S Fund was considerably better than the norm. This reflects the strong commitment of the Government to support the C/S Fund in cooperation with donor partners. Unlike other national budget items, C/S Fund allocations remaining unspent at the end of the financial year were not returned to National Treasury, but were retained either as credit or cash balances and reflected as capital revenues in the following year budget. This provision allowed Councils to plan rationally and in some cases to follow the strategy of "saving" part or all of one annual allocation to be used to finance a large investment in the following year. It was also made possible for contract implementation to continue past the end of the financial year without difficulty, except that some delays in payments occurred in the period before the new C/S Budgets were approved.

The greatest difficulties in C/S Fund cash flow were experienced in 2003. From 2004, performance improved steadily in this respect. Conversely, MEF repeatedly expressed concern about the size of unspent cash balances accumulating in C/S accounts at Provincial / Municipal Treasury.

<sup>11</sup> The RILGP target provinces were Banteay Meanchey, Battambang, Kampong Cham, Pursat, Prey Veng, Siem Reap and Takeo (2003); Kampong Chhnang, Kampong Speu, Kratie and Svay Rieng (2004) and Preah Vihear, Otdar Meanchey and Pailin (2005).



The following table shows performance of cash disbursements from National to Provincial Treasury against target dates and percentages in each year.

<b>Table 14 : Performance of Cash Disbursements of C/S Fund from National to Provincial Treasury</b>								
Transfers by	01-Mar		30-Jun		01-Sep		End of Year	
	Amount	%	Amount	%	Amount	%	Amount	%
Target <sup>a</sup>	-	50%	0	80%	-	100%	-	-
2002	0	0%	25,673,250,000	84%	27,673,250,000	90%	30,687,910,000	100%
2003	0	0%	13,042,000,000	25%	16,803,000,000	33%	29,936,096,693	58%
2004	9,110,000,000	11%	33,756,951,254	42%	49,473,161,851	62%	65,922,951,673	83%
2005	12,878,567,090	16%	46,610,479,634	59%	55,291,679,634	69%	76,032,555,374	95%
2006	11,409,324,260	14%	41,756,784,260	51%	57,851,272,260	71%	69,329,452,260	85%

<sup>a</sup>: Targets specified in the Sub-Decree on Establishment of the C/S Fund. In practice these three tranches were replaced by monthly disbursements according to cash availability from 2004 onward

Amounts outstanding at the end of financial years 2003, 2004 and 2005 were made good during the following year, with the carry-over amounts being fully transferred during the first quarter except in 2004.

### 8.2.2 Commune Infrastructure Investment Fund (CIDF)

Commune Infrastructure Development Fund was supported by IFAD through the Rural Poverty Reduction Project (RPRP) to selected communes in Prey Veng and Svay Rieng Provinces.

The essential features of the fund were that:

- Communes were selected according to poverty criteria based on Vulnerability Assessment Mapping (VAM) carried out by World Food Programme (WFP);
- Target communes were allocated an average of US \$ 25,000 to be used over five years. The amount used in any one year could vary up to a maximum of US \$ 12,500. The amount allocated to each commune in each year was based on commune requests reflected in the Annual Work-Plan and Budget for RPRP.
- There was a "positive list" of local infrastructure investment outputs which were eligible for CIDF funding.
- CIDF funds were in many cases used for part-funding of contracts together with C/S Fund and local contribution resources. In these cases the source of funds was identified in payment records.
- There was a requirement for all communes receiving CIDF to allocate a minimum of US \$ 500 each year to road maintenance activities;
- Requests for release of funds were submitted from PRDC through STFS to MEF. MEF then transferred funds from the loan special account to a CIDF account at National Treasury.
- National Treasury then transferred the funds in Cambodian riel to the Commune accounts at Provincial Treasury.
- Statements of expenditure were compiled by STFS from Treasury payment records for financial reporting.

CIDF was allocated to 53 communes in 2004, 104 communes in 2005 and 148 communes in 2006. The allocation of funds is shown in the following table.

**Table 15 : Allocation of CIDF Funds By Province and Year**

Year	Prey Veng		Svay Rieng		Total	
	Communes	Allocation	Communes	Allocation	Communes	Allocation
2004	30	961,987,600	24	631,760,000	54	1,593,747,600
2005	60	1,762,962,000	44	1,251,758,000	104	3,014,720,000
2006	98	3,553,720,000	50	2,291,160,000	148	5,844,880,000
Total	188	6,278,669,600	118	4,174,678,000	306	10,453,347,600

### 8.2.3 Rural Infrastructure Investment Fund

Commune Infrastructure Investment Fund was supported by IFAD through the Community Based Rural Development (CBRD) project to selected communes in Kampot and Kampong Thom provinces.

RIIF was not part of the original CBRD design but was financed by funds re-allocated from other proposed infrastructure activities as a result of the mid-term review of the project. Most of the design features of RIIF were very similar to those of CIDF described above, although the management responsibilities differed in line with the differing project execution arrangements. The allocation of RIIF funds is shown in the following table.

Table 16 : Allocation of RIIF Funds By Province and Year						
Year	Kampong Thom		Kampot		Total	
	Communes	Allocation	Communes	Allocation	Communes	Allocation
2005	40	462,354,300	87	1,044,000,000	127	1,506,354,300
2006	40	480,000,000	87	1,070,100,000	127	1,550,100,000
Total	40	942,354,300	87	2,114,100,000	127	3,056,454,300

### 8.2.4 Local Contributions

Although the LAMC stated that C/S Councils were to have revenue-raising powers, no such powers were provided to the local authorities in practice during the period of the Seila Programme. To ensure that projects were funded partially from local resources, C/S Councils were required to collect a local contribution to part-fund all investment projects supported by C/S Fund and the external assistance fund sources described above. The rationale for this requirement, according to the C/S Fund PIM was in order to:

- increase the funds available for the project;
- strengthen accountability by encouraging Councils to select projects to which the population would willingly contribute;
- foster a sense of ownership;
- ensure that the C/S Council provided adequate information about the project to the local population.

Local Contribution was collected in cash and deposited in the C/S account at Treasury. The contribution was defined as voluntary (i.e. it was mandatory for the Council to conduct a collection of local contribution, but no individual was under a legal obligation to contribute) and it was a requirement that Councils issue receipts for all contributions and announce the results of local contribution collection on public noticeboards.

Provisions for household contributions of materials or labour to be counted in lieu of cash were abandoned from 2004 onwards. The reason for this decision was the observation that such provisions were not workable in the context of private contractor implementation of projects;



provisions in contracts stating that local people would contribute labour or materials needed by the contractor were almost never honoured in practice and contractors rapidly came to realize this; the purpose of these paper “in kind” contributions was only to reduce the amount of cash to be collected and the overall effect was to create a divergence of the written contract conditions from the contract as actually understood by the two parties. From 2004, Communes were encouraged to mobilise local labour and resources to support local development projects where appropriate, but these contributions were not considered as part of the mandatory local contribution.

However, residents contributing land for construction of projects were excused from contributing cash.

Up to 2004 the level of the local contribution was set at 5% of the value of “public goods” projects, meaning roads, schools and other infrastructure of benefit to the community as a whole; and 10% for “semi-private goods” which were defined as investments with a limited and identifiable group of beneficiaries, for example, wells or irrigation systems. However, it was found that these provisions were too complex to apply in practice. Further, the effect of flat rate local contributions was that poor communes, receiving additional C/S Funds and more particularly CIDE funds in respect of their relative poverty, had to collect larger contributions per head than did richer communes. In some cases Communes were reluctant to apply for their allocation of CIDE funds because of the difficulty of raising the required local contribution. From 2005, the C/S Councils were allowed to set the level of local contribution themselves at any suitable non-zero amount.

Amounts of local contribution deposited into C/S Accounts each year are shown in the table below. The table shows that once mandatory percentage amounts were abandoned, the amount collected decreased significantly.

Table 17 : Local Contribution Amounts as a Percentage of Total Capital Revenues for Development			
Year	Total Local Contribution	Total Revenues for Development	Local Contribution as % of total
2002	853,465,103	16,839,740,000	5%
2003	1,715,402,348	32,037,503,000	5%
2004	2,000,728,294	37,778,080,898	5%
2005	1,837,343,402	47,476,702,863	4%
2006	1,267,777,025	57,897,221,458	2%
Total	7,674,716,172	192,029,248,219	4%

### 8.2.5 UNICEF-Seth Koma Funds

The UNICEF Seth Koma program allocated limited funds to C/S Councils to be used in support of Commune Women and Children Committees in Seth Koma target communes. In communes where the Women and Children Focal Person was not a councilor, Seth Koma funded a small salary to facilitate her activities. Seth Koma was implemented in six target provinces – Kampong Speu, Kampong Thom, Prey Veng, Stung Treng, Svay Rieng and Otdar Meanchey.

Seth Koma allocated funds through the commune budgets in 2005 and 2006, with amounts shown in the following table.

Table 18 : Allocation of Funds to Women and Children Committees by Seth Koma			
Year	# Provinces	# Communes	Total Funds (\$US)

2005	6	130	87,265
2006	6	203	203,500
<b>Total</b>	<b>6</b>	<b>203</b>	<b>290,765</b>

### 8.2.6 Danida CCB-NREM Funds

The Danida supported CCB-NRM project supported communes to mainstream natural resource management and environmental planning into the Commune Development Plan and the Commune Investment Programme. Communes that completed this process and were successful in achieving certification of the adequacy of these aspects of the plan were then allocated investment funds for community natural resource, environmental management or livelihood support activities.

The NREM mainstreaming project in the Seila program commenced in 2003 in 3 provinces (Pursat, Siemreap and Kratie). Implementation in these 3 provinces continued into the CCB-NREM project. Hence, CCB-NREM operated in six provinces (Koh Kong, Kratie, Pursat, Siem Reap, Sihanoukville and Kep) from 2004 and expanded into four additional provinces (Kampong Cham, Kampong Speu, Mondulhiri and Ratanakiri) in 2006.

The number of communes and amount of funds allocated by year through this mechanism are shown in the table below

Table 19 : Allocation of Funds to for Commune NREM Activities			
Year	# Provinces	# Communes	Total Funds (\$US)
2003	3	40	40,000
2004	6	85	82,000
2005	6	123	245,000
2006	10	303	1,447,000
<b>Total</b>	<b>10</b>	<b>303</b>	<b>1,814,000</b>

### 8.2.7 Other Funds Disbursed Through Commune Budgets

A number of NGOs also provided support to commune activities through the formal C/S Budget and financial management system. In some cases funds were earmarked for specific activities whilst in others the C/S Council had discretion over the use of the funds. The most significant examples of this type of arrangement were the support provided by CONCERN to communes in Pursat and Siem Reap provinces. It should however be noted that CONCERN decided not to continue with the Commune financial management system due to the perceived intransparency and inefficiency of Treasury operations, and switched to channeling funds through commercial bank accounts under management of the Commune Chief instead.

The French funded MIREP project, implemented by GRET, supported development of piped water supply systems in semi-urban villages in Takeo, Kandal and Kampot provinces. These projects provided financial and technical support to private system operators and for most schemes the funds were channelled through PRDC-ExCom. However, one experimental scheme was implemented as a public-private partnership between the operator and a Commune Council in Takeo, with funds channelled through the Council budget.

### 8.2.8 Summary of Resources Disbursed Through C/S Budgets

The following two tables show the total funds available to and disbursed by C/S Councils for administration and development expenditures by year. Data for these tables were summarized



from annual financial statements of Commune/Budgets compiled by Ministry of Economy and Finance.

Table 20 : Revenues Received by Commune-Sangkat Councils 2002-2006							
(Values in Millions of Riel)							
	2002	2003	2004	2005	2006	Total	%
Administration (All Sources)	13,886.51	19,637.51	36,978.50	35,340.35	25,211.98	131,054.85	31%
C/S Fund Development Component	16,839.74	32,030.73	36,178.90	42,242.41	53,168.80	180,460.58	43%
IFAD-CIDF and RIIF	-	-	-	4,108.64	4,447.48	8,556.12	2%
Local Contributions	853.47	1,715.40	2,000.73	1,837.34	1,483.22	7,890.16	2%
Danida CCB-NREM	-	-	148.26	787.63	6,624.66	7,560.55	2%
Other Development Funds	11.8	6.77	1,613.57	1,449.23	1,113.98	4,195.35	1%
Carry Over	-	2,310.01	11,919.60	24,945.62	38,081.36	77,256.59	19%
Total for Development	17,705.01	36,062.91	51,861.06	75,370.87	104,919.50	285,919.35	69%
Grand Total	31,591.52	55,700.42	88,839.56	110,711.22	130,131.48	416,974.20	100%

Table 21 : Expenditures of C/S Councils by Budget Category							
(Values in millions of Riel)							
	2002	2003	2004	2005	2006	Total	%
Salary and Allowances	11,698.62	4,082.93	14,168.57	14,252.02	14,581.08	58,783.22	19%
Administration Costs	1,954.08	2,588.94	4,082.81	6,771.63	9,489.06	24,886.52	8%
Administration Investment	146.95	10,135.14	8,830.28	13,878.39	5,640.75	38,631.51	13%
Total Administration	13,799.65	16,807.01	27,081.66	34,902.04	29,710.89	122,301.25	40%
Local Services Cost	-	0.23	313.57	885.39	1502.8151	2,702.01	1%
Agent Function Costs	-	23.72	-	-	1.44	25.16	0%
Social Intervention	33.44	13.34	169.73	595.45	1691.0226	2,502.98	1%
Economic Intervention	-	3.89	2.97	12.48	280.5566	299.90	0%
Contingency	-	12.98	13.16	48.33	73.82849	148.30	0%
Total Recurrent Development	33.44	54.16	499.43	1,541.65	3,549.66	5,678.34	2%
Local Development Investment	15,541.28	26,927.18	36,293.55	36,062.21	60,196.45	175,020.67	58%
Total for Development	15,574.72	26,981.34	36,792.98	37,603.86	63,746.11	180,699.01	60%
Grand Total	29,407.81	43,842.50	64,374.08	74,047.55	93,457.00	303,000.26	100%
Un-Spent Balance	2,323.34	11,920.18	24,945.62	38,205.33			

### 8.3 Summary of Physical Outputs of C/S Investments

Data on commitments of C/S Fund, CIDF, RIIF and local contributions to infrastructure investments have been extracted from the Project Information database and are shown in the following table. These data are not fully complete as some contracts were not entered in the database.

Table 22 : C/S Development Investments By Project Type							
	2002	2003	2004	2005	2006	Total	%
Rural Domestic Water Supplies	620,161	779,908	682,522	529,030	348,690	2,960,311	6%
Rural Transport	2,389,696	4,895,772	6,532,599	8,087,958	8,421,789	30,327,814	65%
Education	475,017	575,152	549,547	501,713	528,874	2,630,303	6%
Irrigation	315,546	1,200,756	1,689,264	2,499,138	2,284,084	7,988,789	17%
Domestic Sanitation		16,961	8,810	5,988	8,413	40,172	0.1%
Urban Domestic Water Supplies		15,813	5,729	2,260		23,801	0.1%
Urban transport		198,904	329,253	396,338	533,242	1,457,738	3.1%
Health	1,916	20,262	6,945		4,553	33,675	0.1%
Culture and Religion	18,721		6,836			25,557	0.1%
Environmental Management		8,800		19,498		28,298	0.1%
Rural Drainage and Flood Protection		24,706	75,330	69,062	40,587	209,686	0.5%
Urban Drainage and Flood Protection		90,860	177,245	203,318	233,893	705,316	1.5%
Waste Disposal		1,225				1,225	0.0%
Enterprise development		2,430				2,430	0.0%
<b>Total</b>	<b>3,821,057</b>	<b>7,831,550</b>	<b>10,064,080</b>	<b>12,314,302</b>	<b>12,404,125</b>	<b>46,435,114</b>	

The outputs of these infrastructure projects are summarized in the next table.

Table 23 : Summary Output of Commune / Sangkat Infrastructure Investments							
Output Category	Unit	2002	2003	2004	2005	2006	Total
<b>Rural Domestic Water Supplies</b>							
Wells	Wells	1,261	1,396	1,037	623	336	4,653
Water catchment / harvesting structures	Villages	-	-	-	1	-	1
Ponds	Pond	-	48	46	44	50	188
Village Water supply system	Villages	-	3	5	2	2	12
Water storage facilities	Villages	-	-	1	-	-	1
<b>Rural Transport</b>							
Earth roads	km	151	449	794	855	1,078	3,327
Laterite roads	km	443	636	772	1,217	1,124	4,192
Gravel roads	km	-	5	101	118	182	406
Paved roads	km	-	-	2	23	12	37
Culverts	Places	1,324	2,558	2,334	1,635	938	8,789
Bridges	Bridges	61	74	89	78	49	351
Drifts	Places	-	9	7	5	2	23
Vented causeways	Places	-	-	1	-	-	1
Boat landing docks	Places	-	-	-	1	2	3
Inland waterways improvements	km	-	1	4	-	1	6
<b>Education</b>							
School water supply	Schools	7	2	2	-	2	13
School sanitation	Schools	11	4	3	2	1	21



Table 23 : Summary Output of Commune / Sangkat Infrastructure Investments							
Output Category	Unit	2002	2003	2004	2005	2006	Total
Primary Schools	Rooms	145	188	170	114	113	730
School furniture	Rooms	108	618	43	55	42	866
<b>Irrigation</b>							
Earth dams and reservoirs	Places	25	73	103	115	59	375
Spillways	Places	4	-	2	2	2	10
Canals and distribution systems	Km	53	183	265	438	287	1,226
Canal headworks and structures	Place	96	323	295	344	226	1,284
Diversion structures	Place	-	2	-	2	1	5
Pumping station structures	Place	-	4	4	3	2	13
Pumps	Pumps	-	20	49	22	-	91
Irrigation wells	Wells	-	4	37	-	-	41
Drainage Structures	Place	-	-	-	1	2	3
<b>Domestic Sanitation</b>							
Latrines	Rooms	-	13	18	14	2	47
Foul water system	Place	-	8	-	-	1	9
<b>Urban Domestic Water Supplies</b>							
Urban area water supply	Villages	-	9	1	-	-	10
<b>Urban transport</b>							
Laterite roads	km	-	21	15	4	20	60
Urban road improvement	km	-	5	44	47	45	135
Urban road structure	Place	-	49	21	4	11	83
<b>Health</b>							
Health facility water supply	Place	4	3	2	-	5	14
Health posts	Place	-	4	1	-	-	5
<b>Culture and Religion</b>							
Community libraries	Place	3	-	1	-	-	4
<b>Environmental Management</b>							
Adult education buildings	Rooms	-	1	-	612	-	613
<b>Rural Drainage and Flood Protection</b>							
Flood protection dams	Place	-	1	-	-	1	2
Drainage Canals	km	-	-	1	4	-	5
Drainage Structures	Place	-	8	11	4	1	24
Flood refuge platforms	Place	-	1	-	2	-	3
<b>Urban Drainage and Flood Protection</b>							
Drainage Canals	km	-	2	7	4	-	12
Drainage Structures	Place	-	40	36	30	28	134

The outputs of the CCB-NREM funded commune level activities are recorded separately in the following table:

Table 24 : Summary of Commune NREM and Livelihoods Projects

	2004	2005	2006	Total
<b>Forestry Projects</b>				
Community forestry	6	6	23	35
Tree and NTFP planting/nursery	32	6	7	45
Non-Timber Forest Product harvesting and processing	1	5	8	14
Community Eco-Tourism		4	4	8
Bat Rearing		2	1	3
Bamboo		1	2	3
<b>Fishery Projects</b>				
Community Fishery	1	12	21	34
Mangrove Protection	6	5	1	12
Fish rearing		2	22	24
Fishery Law Extension		1		1
Illegal fishing prevention			2	2
Flooded forest protection			5	5
<b>Agriculture Projects</b>				
Integrated Farming Systems		24	34	58
Soil Improvement		3	28	31
Irrigation Rehabilitation		4	17	21
Animal Raising		2	56	58
Fruit tree planting/ home gardening/cash crops			41	41
Mushroom production			7	7
Intensive rice cultivation (improved rice variety)			4	4
Animal bank			22	22
<b>Land Projects</b>				
Land use planning			8	8
Land law extension			1	1
<b>Other Projects</b>				
Waste Management		7	25	32
Water Management		16	57	73
Tourism		3		3
Stone and Wood Carving		2	2	2
Vocational Training		2	2	4
NREM awareness raising	24			24
River bank protection			3	3
Road maintenance			1	1
<b>Total Projects</b>	<b>73</b>	<b>108</b>	<b>441</b>	<b>622</b>



## *8.4 Other Financing of Commune-Implemented Activities.*

From 2004 onwards, there was a steady increase in the number of projects providing additional allocations to targeted communes, often using accounts and systems different to the CS Fund. In most cases, the Seila structure and PLG advisors provided advice and assisted in coordination while not directly being responsible for implementation. One positive example of additional financing of commune-implemented activities for which Seila and PLG did provide direct support was the 50-50 program in Phnom Penh Municipality.

### **8.4.1 The Phnom Penh 50-50 Fund**

In 2004, the Ministry of Economy and Finance provided the equivalent of US\$ 3,308,300 as a cash advance deposited in the Phnom Penh municipal treasury to support the rehabilitation of black top roads and concrete roads in all seven districts in Phnom Penh. Known as the 50-50 program, the program required Sangkat Councils to first mobilize 50% of the estimated project cost from local communities residing along the particular section of road to be rehabilitated and deposit the funds in the Sangkat account in the municipal treasury. Following mobilization, a matching grant of 50% was provided by the Municipality to finance the project cost through the Sangkat account.

At the request of the Governor of Phnom Penh, PLG advisors assisted in the design of the systems and processes to be used in implementing the 50-50 program including: the mobilization of resources and written receipts for funds collected from individual families; the preparation of technical designs and feasibility studies with the Department of Public Works; the procurement and implementation systems which were largely based on the CS Fund procedures; the financial systems and record keeping; and the technical and progress monitoring of works undertaken. At the request of the Governor, an Urban Infrastructure Advisor (UIA) was specifically recruited to monitor the overall program reporting directly to the Governor and the technical committee established for the program.

The program was considered to be quite successful and as of December 2006, less than two years into implementation, a total of US\$ 2.9 million had been mobilized from communities and 59,110 meters of paved roads rehabilitated. Monitoring of the program revealed a significantly higher quality of works than normal owing to the daily presence of citizens at the project sites who made sure that their contributions were put to proper use.

## 9 District Level Investments

### 9.1 Scope

During most of the period of the Seila program the key levels of sub-national planning and budgeting were regarded as the Province /Municipality and the Commune / Sangkat. Although support to the C/S Councils was coordinated at the District level and C/S plans were integrated through a District level process, the District was regarded primarily as a geographical division for planning and service delivery, under the Provincial administration.

This perception changed with the promulgation of the Strategic Framework for Deconcentration and Decentralisation in 2005, which envisaged the creation of a unified administration at District level. As explained in Chapter 3, this led to renewed interest in piloting mechanisms for coordination, planning, budgeting and implementation at the District level. From 2005 Seila cooperated with Ministry of Interior in developing systems for planning and implementation of activities at the District level. These systems focused on projects with outputs and / or beneficiaries crossing commune boundaries and on synergy between projects proposed through the planning process in neighbouring communes. There was a natural convergence between these projects and the "inter-commune" projects promoted by UNDP-DSP and later incorporated into the UNDP-EU DDLG Project. Although the latter were not designated as "District level" investments initially, in fact funds were allocated to Districts and budgeted by District level meetings in a similar manner to the PLG and Danida supported "District investments."

Therefore, the investments reported in this chapter comprise:

- "Inter-Commune" funds supported by the UNDP-DSP project in 2004-2005;
- "Inter-Commune" funds supported by the DDLG project in 2006;

PIF funds supported by PLG and by Danida and disbursed through the District Initiative Pilot in 2006.

### 9.2 Resources

The following table summarizes all resources for District level investments reflected in the Seila Annual Work-Plans and Budgets from 2004 to 2006.

Table 25 Resources Programmed for District Level Investments						
Fund Source	2005		2006		Total	
	Districts	Amount	Districts	Amount	Districts	Amount
UNDP-DSP	9	250,000			9	250,000
DDLG			13	450,000	13	450,000
PLG - District Initiative			14	280,000	14	280,000
Danida - District Initiative			10	200,000	10	200,000
Totals	9	250,000	37	930,000	46	1,180,000

### 9.3 Sector Allocations and Outputs

The following table summarizes the allocation of all District level funds by number of projects and sector in each year. The allocation shows a heavy predominance of infrastructure (roads and irrigation systems) investments.



Table 26 District Investment Budgets by Sector

Sector	2005		2006		TOTAL		%
	Projects	Funding	Projects	Funding	Projects	Funding	
Agriculture			29	51,155	29	51,155	4.63%
Culture/Religion			5	2,225	5	2,225	0.20%
Education	1	24,900	7	26,886	8	51,786	4.69%
Health			3	5,675	3	5,675	0.51%
Information			2	560	2	560	0.05%
Land Management			8	8,296	8	8,296	0.75%
Natural Resource M'g'ment			27	52,803	27	52,803	4.78%
Planning			2	341	2	341	0.03%
Public Works			2	56,030	2	56,030	5.07%
Rural Roads and Markets	8	149,000	23	308,586	31	457,586	41%
Social Rehabilitation			10	38,931	10	38,931	3.53%
Water and Sanitation			2	1,994	2	1,994	0.18%
Water Resources	6	75,374	23	276,197	29	351,571	32%
Women and Children			24	25,295	24	25,295	2.29%
<b>Total</b>	<b>15</b>	<b>249,274</b>	<b>167</b>	<b>854,973</b>	<b>182</b>	<b>1,104,247</b>	<b>100%</b>

The last table in this section summarizes the physical outputs of District level infrastructure investments in each sector, and outputs of District level (non-infrastructure) service delivery projects.

Table 27 Outputs of District Projects by Type

Description	Unit	2005		2006		Total		Average Unit Cost
		Quantity	Budget	Quantity	Budget	Quantity	Budget	
Agriculture								
Training on integrated farming	Training			6	2,540	6	2,540	423
Training on chicken raising and vegetables	Training			6	966	6	966	161
Traning on integrated crop planting for family	Training			10	1,230	10	1,230	123
Measures on protection of fishery crime	Meeting			91	7,068	91	7,068	78
Vaccination campaign for cattle	Head			33,930	7,548	33,930	7,548	0.22
Monitoring animal diseases	Monitoring			5	208	5	208	42
Dissemination of fisery law	Meeting			11	1,413	11	1,413	128
Dissemination of cattle raising	Training			1	354	1	354	354
Dissemination on natural fertilizer and pesticide	Meeting			6	750	6	750	125
Fingerlings provision	Location			10	646	10	646	65
Artificial shelters for sea fish (concrete boxes)	Boxes			1	13,119	1	13,119	13,119
Natural integrated farming	Training			6	4,860	6	4,860	810
Farmer school demonstration on rice and crops	Demo			12	4,723	12	4,723	394
Training on compost making	Training			3	1,200	3	1,200	400
Training on use of pesticide on crops	Training			2	300	2	300	150

Table 27 Outputs of District Projects by Type

Description	Unit	2005		2006		Total		Average Unit Cost
		Quantity	Budget	Quantity	Budget	Quantity	Budget	
VLA training	Person			12	3,000	12	3,000	250
Training on family integrated farming	Training			10	1,230	10	1,230	123
<b>Culture</b>								
Training on traditional dance for students	Training			2	500	2	500	250
Education youth on cultural ceremonies	Meeting			8	884	8	884	111
Produce video for youth education	Story			1	424	1	424	424
Workshop on human rights and laws	Workshop			2	417	2	417	209
<b>Education</b>								
Classroom construction	Classroom	5	24,900	3	18,850	8	43,750	5,469
Support poor students	Students			80	3,000	80	3,000	38
NFE classes	Class			14	3,839	14	3,839	274
NFE training	Training			3	1,197	3	1,197	399
<b>Gender</b>								
Gender concept and mainstreaming	Training			9	1,576	9	1,576	175
Child protection network	Network			4	1,100	4	1,100	275
Vocational training on sewing for women	Training			4	6,780	4	6,780	1,695
Training on nutrition	Training			10	1,650	10	1,650	165
Training on biodiversity	Training			1	620	1	620	620
Prevention from women and child trafficking	Training			2	1,146	2	1,146	573
Strengthening capacity for women and child focal persons	Training			11	3,235	11	3,235	294
Women in development	Training			40	2,445	40	2,445	61
Prevention from domestic violence	Training			50	5,080	50	5,080	102
Campaign on enrolment registration	Campaign			29	1,663	29	1,663	57
<b>Health</b>								
Vaccination campaign for children	Campaign			1	1,211	1	1,211	1,211
Traditional midwife training	Training			5	4,464	5	4,464	893
<b>Social Rehabilitation</b>								
Training on social and public order	Training			20	1,101	20	1,101	55
Vocational training for former big brother group	Training			18	750	18	750	42
Awareness raising on landmines	Training			12	520	12	520	43
Prevention from women and child trafficking	Training			8	1,504	8	1,504	188
Children status and risk	Training			3	844	3	844	281
Training on administration	Training			1	477	1	477	477
Security guarding post	Post			14	33,735	14	33,735	2,410
<b>Information and ME</b>								
Training on project ME	Training			1	140	1	140	140



Table 27 Outputs of District Projects by Type

Description	Unit	2005		2006		Total		Average Unit Cost
		Quantity	Budget	Quantity	Budget	Quantity	Budget	
Computer training	Training			1	420	1	420	420
<b>Land Use Management/Tenure</b>								
Training on land law	Training			43	8,296	43	8,296	193
<b>Natural Resource Management/Environment</b>								
Training on NREM	Training			3	3,000	3	3,000	1,000
Formation of NREM protection group	Group			1	60	1	60	60
Establishment of NREM community	Community			1	1,500	1	1,500	1,500
Training on land law	Training			2	1,000	2	1,000	500
Training on NTFP processing	Training			16	1,500	16	1,500	94
Establishment of eco-tourism site	Site			1	11,128	1	11,128	11,128
Flooded tree planting	Tree			9,000	5,865	9,000	5,865	0.65
Tree planting along canals and public places	Tree			4,550	3,710	4550	3,710	0.82
Environmental extension and sign boards	Training			7	2,400	7	2,400	343
Posters on wildlife and fores protection	Poster			3	510	3	510	170
NREM working group monthly meeting	Meeting			6	240	6	240	40
NREM working group field visits/ patrols	Visits			6	1,460	6	1,460	243
Education on NREM	Meeting			42	4,792	42	4,792	114
Education on forest law and forest protection	Meeting			23	4,050	23	4,050	176
Demarcation of protected area boundaries	Posts			60	4,500	60	4,500	75
Produce materials on tree plantation	Training			16	450	16	450	28
Education on fishery & forestry laws & crime protection	Meeting			49	6,638	49	6,638	135
<b>Planning</b>								
Training on inter-commune project implementation	Training			1	38	1	38	38
Training on CIP formulation process	Training			1	303	1	303	303
<b>Public Work</b>								
Sewage and drainage	meter			870	44,770	870	44,770	51
Water drainage pipe	meter			225	11,260	225	11,260	50
<b>Rural Roads</b>								
Concrete bridge construction	Meter			17	29,000	17	29,000	1,706
Bood bridge construction	Meter			30	12,000	30	12,000	400
Culverts	Places			4	2,913	4	2,913	728
Laterite road construction/rehabilitation	Metre	8,113	86,960	38,370	127,390	46,483	214,350	4.61
Earth road construction/rehabilitation	Metre	18,600	62,040	21,965	75,603	40,565	137,643	3.39

Table 27 Outputs of District Projects by Type

Description	Unit	2005		2006		Total		Average Unit Cost
		Quantity	Budget	Quantity	Budget	Quantity	Budget	
Concrete road construction/rehabilitation	Committee			1,348	61,680	1348	61,680	46
<b>Water and Sanitation</b>								
Education on family latrine construction	Training			2	544	2	544	272
Afridev wells construction	Well			1	1,450	1	1,450	1,450
<b>Water Resouces</b>								
Farmer water user community	Group			44	500	44	500	11
Dam construction and rehabilitation	Meter	2,580	15,640	10,111	69,047	12691	84,687	6.67
Culvert construction	Place			2	1,326	2	1,326	663
Waste drainage system	Meter			625	2,120	625	2,120	3.39
Bridge and water gate construction	Place			2	9,000	2	9,000	4,500
Spillway construction	Meter			31	15,100	31	15,100	487
Canal construction and rehabilitation	Meter	9,315	59,734	33166	179,104	42,481	236,838	5.62



## 10 Provincial Investments

### 10.1 Scope

Provincial investments through the Seila Framework were divided into two general categories: Provincial Investment Funds (PIF), which were freely programmed by PRDC in accordance with predetermined criteria; and Deconcentrated Sector Project Funds, which were resources programmed under donor agreements with national Ministries against defined sectors and program strategies for which the responsibility for planning and implementation was delegated to the province level under the overall coordination of the concerned Ministry.

Within the “PIF” category funds the budgeting criteria, and the degree of discretion permitted to PRDC, varied according to the fund source. The funds with the greatest degree of programming freedom were those supported by PLG which were constrained only by general poverty alleviation criteria as described in Chapter 4. Other donors provided “PIF” funds with restrictions on the range of sectors that could be funded; for example the Danida CCB-NREM funds were provided to support activities in the field of land use planning and natural resource and environmental management, and UNICEF-Seth Koma provided funds to be used in the water and sanitation, health and education sectors and on activities in support of women and children’s issues.

The principal Deconcentrated Sector Funds were provided through three IFAD loan projects – ADESS, executed by the Ministry of Agriculture; CBRD, executed by the Ministry of Rural Development, and RPRP, with STFS as lead agency but technical direction of the agriculture component by Ministry of Agriculture. Also in this category were investments supported by the Canadian-funded ADMAC project which started operations in 2006 and the Australian CAAEP project for agriculture support.

For both types of resource, investments were implemented by Provincial line departments under sub-contracts with PRDC and pursuant to contracts and donor agreements signed by PRDC itself. Therefore, the two categories differed in the planning and budgeting processes applied but not in implementation, financial management or reporting procedures. This chapter summarizes the total resources mobilized in each of these two categories during the Seila period. The outputs are then described by funding source.

## 10.2 Resources and Budgeting

The following table summarizes the total funds made available for provincial-level investments by Seila funding partners.

Table 28 Resources for Provincial Investments in Seila AWPB By Fund Source								
Source of Funds	2001	2002	2003	2004	2005	2006	Total	%
<b>1. Provincial Investment Funds (PIF)</b>								
PLG-PIF	879,111	845,880	2,512,082	2,410,398	2,691,496	2,508,083	11,847,050	24%
Danida-CCB-NREM	0	0	0	1,039,800	397,386	419,609	1,856,795	4%
UNICEF-Seth Koma	0	10,800	0	1,081,445	1,546,418	1,532,276	4,170,939	8%
<i>Sub-total PIF</i>	<i>879,111</i>	<i>856,680</i>	<i>2,512,082</i>	<i>4,531,643</i>	<i>4,635,300</i>	<i>4,459,967</i>	<i>17,874,783</i>	<i>36%</i>
<b>2. Deconcentrated Sector Projects</b>								
IFAD/RGC-CBRD	1,765,605	2,225,018	3,056,691	4,408,968	1,810,237	2,159,072	15,425,591	31%
IFAD/RGC-ADESS	1,512,215	2,886,603	1,628,304	1,051,912	837,439	0	7,916,473	16%
IFAD/RGC-RPRP	0	0	0	654,997	1,617,661	2,356,074	4,628,732	9%
Canada-ADMAC	0	0	0	0	0	769,883	769,883	2%
Australia-CAAP	0	0	443,544	320,800	156,135	358,400	1,278,879	3%
<i>Sub-total Decon. Sector Projects</i>	<i>3,277,820</i>	<i>5,111,621</i>	<i>5,128,539</i>	<i>6,436,677</i>	<i>4,421,472</i>	<i>5,643,429</i>	<i>30,019,557</i>	<i>61%</i>
<b>3. Special Project Arrangements</b>								
Canada-FSIP	0	133,000	0	0	83,206	60,478	276,684	1%
France-MIREP	0	0	0	0	10,000	150,000	160,000	0%
Germany-RDP	0	0	0	0	170,556	0	170,556	0%
Others	588,724	149,583	0	0	0	0	738,307	1%
<i>Sub-Total Special Arrangements</i>	<i>588,724</i>	<i>282,583</i>	<i>-</i>	<i>-</i>	<i>263,762</i>	<i>210,478</i>	<i>1,345,547</i>	<i>3%</i>
<b>Total</b>	<b>4,745,655</b>	<b>6,250,884</b>	<b>7,640,621</b>	<b>10,968,320</b>	<b>9,320,534</b>	<b>10,313,874</b>	<b>49,239,888</b>	<b>100%</b>

In the following table the work-plan allocation of these resources is then analyzed by sector.

Table 29 Resources for Provincial Investments in Seila AWPB By Sector								
Sector	2001	2002	2003	2004	2005	2006	Total	%
Agriculture	2,459,763	3,769,247	3,029,332	2,920,015	3,574,893	4,306,699	20,059,949	41%
Commerce	0	0	0	4,000	0	1,000	5,000	0%
Community Development	289,925	278,042	84,605	200,209	266,741	195,507	1,315,029	3%
Culture/Religion	11,500	15,570	47,250	50,676	60,231	46,992	232,219	0%
Education	364,102	241,378	307,458	542,720	531,182	447,371	2,434,211	5%
Health	30,145	27,980	156,129	266,711	190,131	150,969	822,065	2%
Industry	0	0	0	0	9,000	0	9,000	0%
Information	30,250	26,000	64,070	81,333	83,654	34,315	319,622	1%
Labour (vocational training)	0	0	0	0	0	10,840	10,840	0%
Land Management	150,284	199,703	219,669	607,610	339,146	174,833	1,691,245	3%
Mine Action	0	0	0	0	0	91,548	91,548	0%
Natural Resource M'gnt	125,791	113,880	452,776	948,455	385,433	217,639	2,243,974	5%
Post-Conflict Programs	252,388	0	0	0	0	0	252,388	1%
Provincial Planning	96,558	109,000	189,285	194,023	227,515	224,955	1,041,336	2%
Public Works	0	0	10,432	55,559	82,264	67,281	215,536	0%
Rural Roads and Markets	209,296	391,907	914,937	1,426,392	267,680	312,684	3,522,896	7%
Social Rehabilitation	0	0	15,661	35,291	57,915	56,656	165,523	0%



Table 29 Resources for Provincial Investments in Seila AWPB By Sector								
Sector	2001	2002	2003	2004	2005	2006	Total	%
Tourism	0	0	7,680	11,200	22,850	35,766	77,496	0%
Water and Sanitation	266,846	347,548	539,784	794,605	888,690	1,245,316	4,082,789	8%
Water Resources	352,196	620,934	1,395,148	2,375,853	1,489,072	1,941,425	8,174,627	17%
Women and Children	106,611	109,695	206,405	453,669	844,137	752,079	2,472,596	5%
Totals By Year	4,745,655	6,250,884	7,640,621	10,968,320	9,320,534	10,313,874	49,239,888	100%

### 10.3 Achievements By Program Component : PIF Funds

#### 10.3.1 PLG PIF Funds

The criteria and process for allocation of PLG-PIF funds have been described in Chapter 4. The following tables show the final achievement in terms of disbursement against commitments (i.e. signed sub-contracts) by year and by province; and allocations and disbursements by sector.

Table 30 Disbursement of PLG PIF Funds By Year				
Year	# Contracts	Planned US\$	Disbursed US\$	% Disbursement
2001	43	837,310	730,040	87%
2002	88	807,428	721,973	89%
2003	178	2,108,391	1,950,956	93%
2004	209	2,354,603	2,113,433	90%
2005	235	2,597,436	2,341,625	90%
2006	232	2,641,012	2,185,772	83%
Total	985	11,346,180	10,043,800	89%

Table 31 Disbursement of PLG PIF Funds By Province				
Province	# Contracts	Planned US\$	Disbursed US\$	% Disbursement
Banteay Meanchey	55	553,830	481,052	87%
Battambang	70	700,579	630,333	90%
Kampong Cham	53	1,025,919	801,020	78%
Kampong Chhnang	44	427,036	370,430	87%
Kampong Speu	39	491,168	415,240	85%
Kampong Thom	15	132,820	53,102	40%
Kampot	21	187,964	94,349	50%
Kandal	42	535,966	411,902	77%
Koh Kong	16	161,410	103,416	64%
Kracheh	36	352,921	295,969	84%
Mondul Kiri	26	178,610	127,096	71%
Phnom Penh	33	438,415	352,335	80%
Preah Vihear	37	316,880	245,465	77%
Prey Veng	36	698,665	501,424	72%
Pursat	47	464,610	416,269	90%
Ratanak Kiri	55	1,686,216	1,375,400	82%
Siem Reap	69	633,223	572,190	90%
Krong Preah Sihanouk	19	162,302	107,928	66%
Stung Treng	28	189,085	145,309	77%
Svay Rieng	44	458,863	378,901	83%
Takeo	53	602,919	464,938	77%
Otdar Meanchey	67	298,274	249,738	84%
Krong Kep	22	122,635	54,694	45%
Krong Pailin	59	225,415	200,133	89%
Total		11,045,725	8,848,633	80%

Table 32 Disbursement of PLG PIF Funds By Sector				
Province	# Contracts	Planned US\$	Disbursed US\$	% Disbursement
Agriculture	80	1,457,900	1,254,119	86%
Commerce	1	1,000	791.68	79%
Culture/Religion	54	221,340	216,724	98%
Education	80	1,164,541	1,065,329	91%
Health	72	665,150	597,204	90%
Information	48	320,018	302,043	94%
Land Management	71	717,279	623,912	87%
Natural Resource M'g'ment	78	914,479	786,921	86%
Provincial Planning	131	1,279,000	1,188,246	93%
Public Works	5	145,004	113,519	78%
Rural Roads and Markets	55	1,100,089	984,847	90%
Social Rehabilitation	30	143,847	130,978	91%
Tourism	15	50,885	42,205	83%
Water and Sanitation	67	769,074	694,944	90%
Water Resources	83	1,432,088	1,188,215	83%
Women and Children	115	964,487	853,802	89%
<b>Total</b>	<b>985</b>	<b>11,346,180</b>	<b>10,043,800</b>	<b>89%</b>

The tables on the following pages show the physical outputs of PLG PIF funds from 2003 through 2006, by year and by province. These data are extracted from the Seila Contracts Database. Data are not available in this form for years 2001 and 2002.



Table 33 Physical Outputs of PLG PIF by Category and Year

Description	Unit	2002	2003	2004	2005	2006	Total	Cost/Unit
<b>Agriculture</b>								
Agricultural commune training centres	Training Center					45	45	\$ 91
Agricultural Equipment	Item			5			5	\$ 240
Agricultural Starter packages	Package	30		4	3	154	191	\$ 216
Agriculture Action Research	Topic			7	4	2	13	\$ 1,826
Agro-Eco system Analysis conducted	Book					129	129	\$ 90
Agronomy demonstration (fruit tree, rice, vege, crop)	Demo or Site	106	830	278	535	171	1920	\$ 103
Agronomy stations and research	Station				1		1	\$ 2,868
AH&P Farmer Extension group	Group		21	7	175	28	231	\$ 56
Animals (pig, cow, buffalo, chicken, and duck) vaccination and parasite control program.	Animal	11500	3500	33000	25802	46926	120728	\$ 0.35
Cash for family and group income generation program	Person	802	1500		250		2552	\$ 19
Community Fishery Committee	Committee		23	45	33	36	137	\$ 238
Community Forestry Committee	Committee		9	4	2	1	16	\$ 1,661
District Integration	Workshop				2		2	\$ 171
Evaluation	Report	1	6	21	29	52	109	\$ 183
Farmer Extension workers	Person					990	990	\$ 0.74
Fish demonstration (fish-pond or fish-rice)	Demo or Site		157	120	63	8	348	\$ 51
Fish production/Conservation	Set					195	195	\$ 90
Fishery Stations	Station	6	1		2		9	\$ 1,960
Food processing	Site					3	3	\$ 331
Forestry Awareness campaign	Event		1	8			9	\$ 182
Forestry tree nursery/station	Station		7	1		9	17	\$ 289
Formal research	Topic			6	6	1	13	\$ 1,217
Hectares of land brought under wet season irrigation	Hectare				1000		1000	\$ 1.22
Income generation group	Group		30	18	5	9	62	\$ 747
Integrated Farming System	Site		7	245	363	45	660	\$ 113
IPM or Farmer Field Schools (vegetable and rice)	Field School	7	21	11	17	13	69	\$ 664
Livestock improvement demonstration (pig, chicken, and forage)	Demo or Site		238	71	184	31	524	\$ 98
Monitoring	Person-day		100	432	1,568	2,333	4,433	\$ 7.59
NREM strategy	Document				1		1	\$ 360
Operational Support	Month / item	12	68	72	148	191	491	\$ 131
Policy guidance and Technical Meeting	Meeting				2	1	3	\$ 95
Provincial and District Impact Monitoring workshop	Meeting				1	1	2	\$ 255
Provincial and district planning workshop	Workshop				1		1	\$ 303

Table 33 Physical Outputs of PLG PIF by Category and Year

Description	Unit	2002	2003	2004	2005	2006	Total	Cost/Unit
Soil improvement program	hectare or Site	30	22	64	66	131	313	\$ 85
Surveys	Survey	5					5	\$ 2,069
Tree planting	Tree		25,500	4,000		51,350	80,850	\$ 0.10
VLAs formation / support	Person	79	93	215	162	179	728	\$ 87
<b>Commerce</b>								
Monitoring	Person-day					12	12	\$ 3.13
Operational Support	Month / item					10	10	\$ 10
<b>Culture</b>								
Commune database	Data book		6				6	\$ 110
Culture events	Event	39	4	8	119	36	206	\$ 164
Curriculum/learning materials	Set		3				3	\$ 673
Evaluation	Report		4	9	13	23	49	\$ 60
Library establishment	Library		36				36	\$ 34
Local troupe	Person	153	152		107	175	587	\$ 23
Monitoring	Person-day		50	405	156	213	824	\$ 4.60
NFE classes	Class (25 students)				7	6	13	\$ 500
Operational Support	Month / item		63	65	78	82	288	\$ 42
Public Address (PA) systems	Item		18	3	11	151	183	\$ 57
Traditional musical instruments	Instrument		2	10	13	11	36	\$ 668
<b>Education</b>								
Adult Vocational Training Centers	VTC		2				2	\$ 2,427
Classroom construction	Classroom		11	20	21	23	75	\$ 4,037
Classroom construction	Classroom				5	4	9	\$ 4,261
Classroom furniture	Item	951	1,027	740	204	8	2,930	\$ 20
Classroom rehabilitation	Classroom	16	26	6	6		54	\$ 354
Curriculum/learning materials	Set		4	3		97	104	\$ 84
Evaluation	Report	1	9	8	63	42	123	\$ 66
IPM or Farmer Field Schools (vegetable and rice)	Field School		6	1			7	\$ 733
Library establishment	Library	15	128	47	142	110	442	\$ 120
Monitoring	Person-day		1,255	276	945	1,933	4,409	\$ 6.34
NFE classes	Class (25 students)	203	285	412	234	532	1,666	\$ 172
NFE materials	Set		27	56	139	84	306	\$ 103
Operational Support	Month / item	12	106	88	99	118	423	\$ 114
Primary school resource centres	Resource centre		5		10		15	\$ 150
Secondary school resource centre	Resource centre				3		3	\$ 280
Watsan in school	Item		69	45	2	4	120	\$ 356
<b>Gender</b>								
Cash for family and group income generation program	Person		50	50			100	\$ 41



**Table 33 Physical Outputs of PLG PIF by Category and Year**

Description	Unit	2002	2003	2004	2005	2006	Total	Cost/Unit
District Integration	Workshop				6	6	12	\$ 102
Domestic violence prevention / trafficking prevention program	Person-day		7,515	1,542	1,405	10,518	20,980	\$ 2.31
DWVA support to gender mainstreaming	Meeting	47	150	233	50	192	672	\$ 122
Evaluation	Report	1	13	21	46	83	164	\$ 108
Gender campaign	Event	4	1,788	17	7	26	1,842	\$ 21
Gender networking	Meeting	5	304	74	62	80	525	\$ 141
Income generation group	Group					1	1	\$ 2,340
Monitoring	Person-day		241	326	1,480	890	2,937	\$ 5.78
Operational Support	Month / item	12	165	205	132	179	693	\$ 96
<b>Health</b>								
Awareness campaign	Event	493	661	606	45	23	1,828	\$ 45
District Integration	Workshop				6		6	\$ 29
Evaluation	Report	1	6	9	12	23	51	\$ 99
Feedback Committees	Committee		43	13			56	\$ 172
Health centres	Health Centre	11	13	5	6	12	47	\$ 4,415
Management Committees	Committee	839	19	32		1	891	\$ 21
Monitoring	Person-day		806,771	293	623	532	808,219	\$ 0.01
NREM research	Research				11		11	\$ 157
Operational Support	Month / item		88	79	98	93	358	\$ 78
<b>Industry Mine and Energy</b>								
Small scale hydroelectricity	hydroelectricity				1		1	0.00
<b>Information/Communication</b>								
Awareness raising on Good Governance	Person			875	1,343		2,218	\$ 16
Communication equipment	Item	33	22	23	57	5	140	\$ 363
Evaluation	Report		3	28	21	8	60	\$ 33
Monitoring	Person-day		10	161	336	474	981	\$ 6.48
Operational Support	Month / item		62	61	332	73	528	\$ 53
Provincial Seila Newsletter	Newsletter	1		5,000	5,500		10,501	\$ 2.23
Radio broadcasts	Broadcast	48	657	660	996	649	3,010	\$ 8.22
Video telecasts	Telecast	85	365	252	472	306	1,480	\$ 42
<b>Land Use Management/Tenure</b>								
District land use planning committee	Meeting					3	3	\$ 198
Evaluation	Report		7	17	12	57	93	\$ 78
Land titles	Title	2,681	1,103	1,678	683	1,330	7,475	\$ 11
Land use maps	Map	84	405	14	14	12	529	\$ 152
Land use planning committee/process	Meeting		13	5	4	12	34	\$ 214
Land use plans	Plan	216	6	56	21	2	301	\$ 119
Land use plans process	Plan					7	7	\$ 1,075

Table 33 Physical Outputs of PLG PIF by Category and Year

Description	Unit	2002	2003	2004	2005	2006	Total	Cost/Unit
Monitoring	Person-day		265	474	286	530	1,555	\$ 4.00
Operational Support	Month / item		109	122	109	118	458	\$ 490
Provincial land use planning unit	Hectare	5,000	350	286	100	100	5,836	\$ 1.53
Provincial Mine Action Committee (PMAC) planning process	Meeting					3	3	\$ 338
<b>Natural Resource Management/Environment</b>								
A.3.10: Participatory evaluation of NREM mainstreaming and project implementation	Person/day				1,030		1,030	\$ 2.47
Community forests	Hectare	130,042	17,599	5,234	9,767	2,005	164,647	\$ 0.69
Community managed eco-tourism sites	Site	9	6	2	2	1	20	\$ 1,578
Department Offices	Office			6			6	\$ 70
Education campaign	Event	1					1	\$ 1,908
Environmental strategy	Document	209					209	\$ 31
Evaluation	Report		8	79	42	11	140	\$ 65
Implementation NRM Committee Rule and Regulation	Committee				17		17	\$ 1.807
Monitoring	Person-day		182	117	440	291	1,030	\$ 4.42
NREM Education campaign	Event		21	29	197	30	277	\$ 205
NREM mainstreaming tools and methodologies	Set				82	24	106	\$ 74
NREM research	Research		1		15		16	\$ 340
NREM strategy	Document		7	115	500		622	\$ 8.59
NREM Structure, Technical Facilitators and Committees at local level	Committee/Group		21	1	4	8	34	\$ 220
Operational Support	Month / item/person		87	122	113	81	403	\$ 193
Sewage and drainage	meter				5,625	600	6,225	\$ 1.29
Support to Technical working groups and facilitators	Person		736	504			1,240	\$ 31
Village land use plans	Plan	5	7	15			27	\$ 1,638
<b>Planning</b>								
Commune database	Data book	12,891	9,419	9,569	14,670	15,465	62,014	\$ 5.12
District Integration	Workshop	112	159	166	165	166	768	\$ 218
Evaluation	Report		6	12	14	113	145	\$ 36
Monitoring	Person-day		623	570	761	943	2,897	\$ 4.36
Operational Support	Month / item	12	178	197	209	214	810	\$ 124
Provincial Development Investment Plan	PDIP	82	492	489	159	110	1,332	\$ 71
Provincial Development Plan	PDP	76	74	107	11	11	279	\$ 119
Seila Annual Workplan and Budget	SAWB	71	204	4	436	435	1,150	3.19
<b>Public Work</b>								



Table 33 Physical Outputs of PLG PIF by Category and Year

Description	Unit	2002	2003	2004	2005	2006	Total	Cost/Unit
Bridges	Bridge				1		1	\$ 14,102
Evaluation	Report		1	1		24	26	\$ 15
Monitoring	Person-day				230	92	322	\$ 5.36
Operational Support	Month / item		2		22	10	34	\$ 303
Road construction/rehabilitation	Metre				8,700	14,000	22,700	4.45
Sewage and drainage	meter				630		630	\$ 32
Sewage drainages	meter		3,000	28			3,028	\$ 4.24
<b>Rural Roads</b>								
Bridges	Bridge		6	9	5	5	25	\$ 3,484
Culverts	Culvert	3	49	71	31	40	194	\$ 539
District Integration	Workshop				6	6	12	\$ 32
Drilled wells construction	Well					5	5	\$ 1,354
Drilled wells rehabilitation	Well					8	8	\$ 713
Evaluation	Report		21	53	24	18	116	\$ 63
Market Center	Market					1	1	\$ 5,680
Monitoring	Person-day		806	703	348	652	2,509	\$ 5.50
Operational Support	Month / item		66	82	88	109	345	\$ 128
Periodic maintenance	Metre	15,500	33,000	24,100	64,200	6,850	143,650	\$ 0.65
Ring wells construction	Well			2			2	\$ 554
Road construction/rehabilitation	Metre	19,000	24,880	86,076	51,706	46,976	228,638	\$ 2.36
Road maintenance sub-committee	Committee		46	44	42	49	181	\$ 69
Routine Maintenance	Metre	6	89,100	229,680	90,685	61,699	471,170	0.29
Transport planning	Plan		2	2	4	9	17	\$ 337
Water supply survey	Survey			1			1	\$ 1,374
Water testing e.g. Arsenic, bacteria	Water point		1,143	200			1,343	\$ 2.91
<b>Social Affairs</b>								
District Integration	Workshop				6	2	8	\$ 43
Evaluation	Report			13	34	23	70	\$ 30
Monitoring	Person-day			36	344	338	718	\$ 8.15
Operational Support	Month / item			12	84	91	187	\$ 59
Social survey	Survey			4	154	64	222	\$ 76
<b>Tourism</b>								
Evaluation	Report		3	4		4	11	\$ 574
Monitoring	Person-day		21	60	16	133	230	\$ 16
Operational Support	Month / item		11	24	27	75	137	\$ 73
Resort Management Committee	Committee		8	8	5	8	29	\$ 811
<b>Water and Sanitation</b>								
Cash for family and group income generation program	Person		15	60			75	\$ 48
District Integration	Workshop				6	1	7	\$ 57
Drilled wells construction	Well	27	110	23	19	22	201	\$ 733

Table 33 Physical Outputs of PLG PIF by Category and Year

Description	Unit	2002	2003	2004	2005	2006	Total	Cost/Unit
Drilled wells rehabilitation	Well	12	186	234	213	117	762	\$ 82
Evaluation	Report	1	7	20	11	37	76	\$ 78
Latrines Construction	Latrine	212	530	399	1,267	794	3,202	\$ 40
Mixed wells construction	Well					68	68	\$ 319
Mixed wells rehabilitation	Well	30					30	\$ 35
Monitoring	Person-day		405	627	545	438	2,015	\$ 6.10
Operational Support	Month / item		55	94	86	88	323	\$ 82
Piped water supply	Houses		160		1,057	-	1,217	9.54
Ponds	Pond				4	10	14	\$ 2,313
Rainwater tanks	Water Tank		1	1	1	134	137	\$ 146
Ring wells construction	Well	5	14	35	123	42	219	\$ 258
Ring wells rehabilitation	Well				6	10	16	\$ 144
Routine Maintenance	Metre			52,000			52,000	\$ 0.12
Water jars	Water Jar				783		783	\$ 11
Water point committees	Committee	247	687	857	105	51	1,947	\$ 13
Water supply survey	Survey	53		332	403	439	1,227	\$ 15
Water testing e.g. Arsenic, bacteria	Water point	607	260	845	631	200	2,543	4.57
<b>Water Resources</b>								
District Integration	Workshop				3	2	5	\$ 42
Evaluation	Report	1	6	21	21	34	83	\$ 129
Farmer water user community	Group	93	129	56	55	96	429	\$ 239
Field survey and feasibility study	Report		8	25	30	33	96	\$ 538
Hectares of land brought under dry season irrigation	Hectare	10	3,367	3,739	635	426	8,177	\$ 34
Hectares of land brought under wet season irrigation	Hectare	5,811	4,647	110	320	795	11,683	\$ 17
Irrigation systems plan	Plan	5	3	22	26	14	70	\$ 2,891
Monitoring	Person-day		298	222	596	770	1,886	\$ 7.89
Operational Support	Month / item	5	71	84	141	161	462	\$ 136
Water control structures	Structure	39	11	18	29	38	135	\$ 3,038



### 10.3.2 Danida CCB-NREM PIF

Unlike the PLG PIF funds, the Danida PIF funds were earmarked for allocation by PRDC to specific sectors relevant to the project objectives. More than 80% of the funds were allocated to support the key project components of natural resource management and of land use planning. Significant amounts were also allocated to agriculture support and to the education sector, and smaller amounts to culture and tourism development, and to support to women and children's issues.

Between 2004 to 2006, CCB-NREM allocated a total of USD 735,150 for sectoral support through the PIF mechanism. Approximately 107 projects/contracts were prioritized for implementation. These includes 8 agriculture development related, 10 community forestry and tree planting, 17 non-formal education, 14 gender in NREM awareness raising, 13 community based protected area establishment and environmental sanitation, 13 land use planning and conflict resolution, 8 irrigation infrastructure and water user group establishment, 8 community based tourism and tourist services, 6 community fishery, 1 NTFP processing training and 3 awareness NREM raising projects/contracts.

The following tables shows allocation and disbursement by sector and year, and by province and year, for CCB-NREM PIF funds, and physical outputs of these contracts as recorded in the Seila Contract Database.

Table 34 Implementation of Danida CGB-NREM PIF Contracts By Sector and Year																
2004					2005					2006					Total All Years	
Sector	Contr-acts	Commitment	Disbursement	% Disbu- rsed	Contr-acts	Commitment	Disbursement	% Disbu- rsed	Contr-acts	Commitment	Disbursement	% Disbu- rsed	Contr-acts	Commitment	Disbursement	% Disbu- rsed
Agriculture	4	29,565	21,316	72%	8	49,222	37,990	77%	15	220,331	207,887	94%	27	299,119	267,192	89%
Culture/Religion	0	0		0%	0	0	0	0%	1	5,500	5,457	99%	1	5,500	5,457	99%
Education	7	86,768	81,495	94%	6	56,000	52,479	94%	6	59,072	56,807	96%	19	201,840	190,781	95%
Health	1	3,500	1,178	34%	0	0	0	0%	0	0	0	0%	1	3,500	1,178	34%
Land Management	6	178,986	74,483	42%	6	134,669	100,533	75%	8	93,782	90,170	96%	20	407,437	265,186	65%
Natural Resource	13	369,158	211,659	57%	13	405,820	348,655	86%	11	270,832	253,282	94%	37	1,045,810	813,595	78%
Tourism	2	5,900	3,351	57%	1	9,500	9,499	100%	3	32,750	27,403	84%	6	48,150	40,254	84%
Water and	1	4,499	3,450	77%	0	0	0	0%	0	0	0	0%	1	4,499	3,450	77%
Water Resources	3	11,333	8,465	75%	0	0	0	0%	3	36,600	33,165	91%	6	47,933	41,630	87%
Women and	6	46,672	36,077	77%	4	18,027	15,279	85%	4	17,087	13,228	77%	14	81,786	64,584	79%
Totals	43	736,381	441,474	60%	38	673,238	564,434	84%	51	735,954	687,399	93%	132	2,145,573	1,693,306	79%

Table 35 Implementation of Danida CGB-NREM PIF Contracts By Province and Year																
2004					2005					2006					Total All Years	
Province	Cont-acts	Commitment	Disbursement	% Disbu-rsed	Contracts	Commitment	Disbursement	% Disbu-rsed	Contracts	Commitment	Disbursement	% Disbu-rsed	Contracts	Commitment	Disbursement	% Disbu-rsed
Kampong Cham	0	0	0	0%	0	0	0	0%	4	70,380	66,002	94%	4	70,380	66,002	94%
Kampong Speu	0	0	0	0%	0	0	0	0%	4	39,797	36,677	92%	4	39,797	36,677	92%
Koh Kong	8	139,204	73,013	52%	6	121,251	105,450	87%	8	233,156	225,260	97%	22	493,611	403,723	82%
Kratie	5	105,487	44,067	42%	7	112,285	88,796	79%	5	48,215	43,796	91%	17	265,987	176,659	66%
Mondulikin	0	0	0	0%	0	0	0	0%	5	27,250	19,304	71%	5	27,250	19,304	71%
Pursat	7	204,512	143,964	70%	6	165,940	151,465	91%	6	79,631	75,881	95%	19	450,083	371,311	82%
Ratanakiri	0	0	0	0%	0	0	0	0%	4	73,889	72,588	98%	4	73,889	72,588	98%
Siem Reap	6	125,908	97,096	77%	7	105,722	89,775	85%	6	74,900	72,043	96%	19	306,530	258,914	84%
Sihaoukville	8	86,556	53,449	62%	6	108,795	95,591	88%	5	60,550	51,830	86%	19	255,901	200,871	78%
Kep	9	74,714	29,884	40%	6	59,245	33,357	56%	4	28,186	24,017	85%	19	162,145	87,258	54%
Totals	43	736,381	441,474	60%	38	673,238	564,434	84%	51	735,954	687,399	93%	132	2,145,573	1,693,306	79%



Table 36 Physical Outputs of CCB-NRM By Category and Year

Description	Unit	2003	2004	2005	2006	Total	Cost/Unit
<b>Agriculture</b>							
Agronomy demonstration (fruit tree, rice, vege, crop)	Demo or Site	0		0	75	211	\$ 138
Community Fishery Committee	Committee	0		0	8	47	\$ 604
Community Forestry Committee	Committee	0		0	5	75	\$ 418
Evaluation	Report	0		0	4	18	\$ 226
Fish demonstration (fish-pond or fish-rice)	Demo or Site	0		0	6	41	\$ 181
Fishery Stations	Station	0		0	0	1	\$ 6,845
Forestry Awareness campaign	Event	0		0	1	30	\$ 603
Forestry tree nursery/station	Station	0		0	3	4	\$ 2,917
Integrated Farming System	Site	0		0	0	10	\$ 486
IPM or Farmer Field Schools (vegetable and rice)	Field School	0		0	0	14	\$ 1,013
Livestock improvment demonstration (pig, chicken, and forage)	Demo or Site	0		0	0	460	\$ 9.49
Monitoring	Person-day	0		0	72	958	\$ 6.89
NREM strategy	Document	0		0	6	6	\$ 158
Operational Support	Month / item	0		0	31	116	\$ 73
Policy guidance and Technical Meeting	Meeting	0		0	0	4	\$ 171
Soil improvement program	hectare or Site	0		0	0	18	\$ 394
Tree planting	Tree	0		0	5000	95000	\$ 0.05
VLAs formation / support	Person	0		0	0	48	\$ 18
<b>Culture</b>							
Evaluation	Report	0		0	1	13	\$ 21
Monitoring	Person-day	0		0	16	18	\$ 7.83
NFE classes	Class (25 students)	0		0	7	7	\$ 429
Operational Support	Month / item	0		0	12	18	\$ 19
<b>Education</b>							
Adult Vocational Training Centers	VTC	0		0	0	13	\$ 155
Classroom construction	Classroom	0		0	5	5	\$ 3,900
District Integration	Workshop	0		0	6	12	\$ 39
Evaluation	Report	2		0	6	19	\$ 216
Income generation group	Group	0		0	2	2	\$ 1,595
Library establishment	Library	12		0	0	12	\$ 83
Monitoring	Person-day	992		0	1720	3054	\$ 3.76
NFE classes	Class (25 students)	52		0	73	219	\$ 279
NFE materials	Set	200		0	29	250	\$ 54
Operational Support	Month / item	17		0	29	73	\$ 38
<b>Gender</b>							
DWVA support to gender mainstreaming	Meeting	0		0	0	1	\$ 717
Evaluation	Report	3		0	3	9	\$ 281
Gender campaign	Event	2		0	0	7	\$ 1,191
Gender networking	Meeting	6		0	24	35	\$ 216
Monitoring	Person-day	371		0	84	563	\$ 9.91
Operational Support	Month / item	1		0	34	59	\$ 56

Table 36 Physical Outputs of CCB-NRM By Category and Year

Description	Unit	2003	2004	2005	2006	Total	Cost/Unit
Operational Support	Month / item/person	32		0	0	32	\$ 83
<b>Information/Communication</b>							
Awareness raising on Good Governance	Person	0		0	5	5	\$ 254
Evaluation	Report	0		0	1	1	\$ 50
Operational Support	Month / item	0		0	12	12	\$ 1.00
Radio broadcasts	Broadcast	0		0	12	12	\$ 50
Video telecasts	Telecast	0		0	12	12	\$ 61
<b>Land Use Management/Tenure</b>							
B.2.2: Infrastructure improvements to Provincial and district Offices for Land Administration and Management	Office	0		0	1	1	\$ 1,171
B.2.6: Support for provincial technical teams to integrate land management and NREM in CDPs	Meeting	0		0	5	5	\$ 80
District land use planning committee	Meeting	0		0	4	8	\$ 541
Evaluation	Report	0		0	4	11	\$ 399
Land titles	Title	0		0	0	3	\$ 1,401
Land use maps	Map	0		0	17	37	\$ 735
Land use planning committee/process	Meeting	0		0	157	219	\$ 92
Land use plans	Plan	0		0	30	61	\$ 474
Monitoring	Person-day	0		0	186	402	\$ 8.02
NREM strategy	Document	0		0	5	10	\$ 173
Operational Support	Month / item	0		0	51	94	\$ 690
Operational Support	Month / item/person	0		0	0	11	\$ 530
Participatory Land Use Planning	Plan	0		0	5	10	\$ 2,176
Provincial land use planning unit	Hectare	0		0	0	5	\$ 200
Support to Technical working groups and facilitators	Person	0		0	0	32	\$ 15
<b>Natural Resource Management/Environment</b>							
Community forests	Hectare	7426		0	34	13352	\$ 2.17
Community managed eco-tourism sites	Site	0		0	3	24	\$ 339
Evaluation	Report	4		0	8	22	\$ 221
Land and Natural Resource and Environmental maps	Map	3		0	0	3	\$ 433
Monitoring	Person-day	52		0	72	698	\$ 6.62
NREM Education campaign	Event	1		0	4	57	\$ 369
NREM mainstreaming tools and methodologies	Set	26		0	1	29	\$ 142
NREM projects implemented by CCs	Project	0		0	0	1	\$ 2,839
NREM research	Research	26		0	0	26	\$ 10
NREM strategy	Document	0		0	50	61	\$ 22
NREM Structure, Technical Facilitators and Committees at local level	Committee/Group	10		0	7	33	\$ 427



Table 36 Physical Outputs of CCB-NRM By Category and Year

Description	Unit	2003	2004	2005	2006	Total	Cost/Unit
Operational Support	Month / item	0		0	0	10	\$ 64
Operational Support	Month / item/person	27		0	35	133	\$ 206
Resort Management Committee	Committee	0		0	0	1	\$ 3,254
Support to Technical working groups and facilitators	Person	20		0	19	39	\$ 30
Tree planting	Tree	0		0	0	3200	\$ 1.30
<b>Planning</b>							
Commune database	Data book	0		0	22	22	\$ 57
District Integration	Workshop	0		0	3	3	\$ 383
Operational Support	Month / item	0		0	24	24	\$ 84
Provincial Development Investment Plan	PDIP	0		0	1	1	\$ 705
<b>Rural Roads</b>							
Routine Maintenance	Metre	0		0	25000	25000	\$ 0.02
<b>Social Affairs</b>							
Evaluation	Report	0		0	1	1	\$ 50
Monitoring	Person-day	0		0	24	24	\$ 0.76
Operational Support	Month / item	0		0	12	12	\$ 19
Social survey	Survey	0		0	5	5	\$ 2.28
<b>Tourism</b>							
District Integration	Workshop	0		0	0	2	\$ 11
Evaluation	Report	0		0	3	9	\$ 109
Monitoring	Person-day	0		0	60	196	\$ 7.49
Operational Support	Month / item	0		0	12	48	\$ 340
Resort Management Committee	Committee	0		0	6	12	\$ 1,444
<b>Water and Sanitation</b>							
Drilled wells rehabilitation	Well	0		0	50	50	\$ 10
Latrines Construction	Latrine	0		0	40	40	\$ 44
Operational Support	Month / item	0		0	12	12	\$ 29
Ring wells construction	Well	0		0	10	10	\$ 367
Evaluation	Report	0		0	3	5	\$ 38
Farmer water user community	Group	0		0	8	8	\$ 209
Hectares of land brought under dry season irrigation	Hectare	0		0	0	420	\$ 26
Hectares of land brought under wet season irrigation	Hectare	0		0	0	265	\$ 26
Monitoring	Person-day	0		0	3	96	\$ 15
Operational Support	Month / item	0		0	12	24	\$ 60
Water control structures	Structure	0		0	2	7	\$ 5,318

### **10.3.3 UNICEF Seth Koma PIF**

As with the Danida CCB-NREM project described above, the UNICEF Seth Koma supported "earmarked PIF" funds for priority activities within the thematic and sectoral priorities of Seth Koma. UNICEF funds supported the cross-cutting activities of planning and gender mainstreaming in the six Seth Koma provinces.

The *Seth Koma* Project focused on: a) supporting collaboration among sectoral ministries, sub-national administrations (province and district), Commune Councils and front line social service providers through D&D for fulfillment of child rights; and b) contributing to the reduction of high child mortality and improved access to primary education in Cambodia by promoting access to safe drinking water and environmental sanitation at both community level and primary schools.

The *Seth Koma* Project aimed to clarify and strengthen the relationships between various actors within government and civil society to enhance the effectiveness of planning, delivery and access to services at the local level as well as to enhance community based services and the protection of children from neglect, discrimination, abuse and violence.

The Seth Koma Project was composed of two projects:

#### **1. Local Governance for Child Rights**

This project aimed to improve the capacity of members of sub-national administrations and local governments at the province, district and commune levels to:

- Assess and analyze the critical issues and priorities related to the rights of children and women;
- Take simple, measurable and feasible actions to address them; and
- Monitor and follow up their results systematically.

Emphasis was placed on strengthening collaboration between provincial and district administrations, Commune Councils and local service providers such as school directors/teachers and health workers to improve delivery and utilization of services for children and women throughout the year and during the process of annual commune development planning exercise.

#### **2. Water and Environmental Sanitation**

This project aimed to improve access to and use of safe drinking water and environmental sanitation both by households and primary schools. It also aims to strengthen the capacity of key government agencies at different level of administration in their respective roles in the provision of rural water supply and sanitation services with good quality.

At the provincial level all activities financed by the Seth Koma Program are managed and coordinated by the PRDC Executive Committee and implemented by provincial line departments in accordance with their mandates or by the CS themselves.

At the national level, the Seth Koma Program collaborated directly with Ministry of Interior (Department of Local Administration), Ministry of Women's Affairs, Ministry of Rural Development and Ministry of Planning. The following tables shows allocation and disbursement by sector and year, and by province and year, for Seth Koma PIF funds, and physical outputs of these contracts as recorded in the Seila Contract Database.



Table 37 Implementation of UNICEF - Seth Koma PIF Contracts By Sector and Year

Sector	2004				2005				2006				Total All Years			
	Contr-acts	Commitment	Disbursement	% Disbu-rsed	Contr-acts	Commitment	Disbursement	% Disbu-rsed	Contr-acts	Commitment	Disbursement	% Disbu-rsed	Contr-acts	Commitment	Disbursement	% Disbu-rsed
Agriculture	0	0	0	0%	3	25,000	21,478	86%	0	0	0	0%	3	25000	21477.59	86%
Community Development	0	0	0	0%	0	0	0	0%	0	0	0	0%	0	0	0	#DIV/0!
Education	1	21,017	11,749	56%	6	194,566	134,867	69%	6	186,087	165,862	89%	13	401669.63	312478.96	78%
Health	1	13,080	2,908	22%	5	40,815	22,814	56%	0	0	0	0%	6	53895.11	25722.69	48%
Provincial Planning	0	0	0	0%	6	34,852	30,515	88%	6	41,973	33,414	80%	12	76824.6	63929.41	83%
Water and Sanitation	1	132,209	3,156	2%	6	907,769	526,266	58%	6	1,020,516	733,287	72%	13	2060493.9	1262708.9	61%
Women and Children	2	71,147	23,656	33%	7	574,229	328,325	57%	6	348,762	299,926	86%	15	994138.63	651907.84	66%
<b>Totals</b>	<b>5</b>	<b>237,454</b>	<b>41,470</b>	<b>17%</b>	<b>33</b>	<b>1,777,231</b>	<b>1,064,266</b>	<b>60%</b>	<b>24</b>	<b>1,597,337</b>	<b>1,232,490</b>	<b>77%</b>	<b>62</b>	<b>3,612,022</b>	<b>2,338,225</b>	<b>65%</b>

Table 38 Implementation of Danida UNICEF Seth Koma PIF Contracts By Province and Year

Province	2004				2005				2006				Total All Years			
	Contr-acts	Commitment	Disbursement	% Disbu-rsed	Contr-acts	Commitment	Disbursement	% Disbu-rsed	Contr-acts	Commitment	Disbursement	% Disbu-rsed	Contr-acts	Commitment	Disbursement	% Disbu-rsed
Kampong Speu	0	0	0	0%	6	279,042	175,394	63%	4	272,800	187,511	69%	10	551841.11	362905.18	66%
Kampong Thom	0	0	0	0%	4	241,065	155,871	65%	4	316,495	218,986	69%	8	557560.33	374857.37	67%
Prey Veng	5	237,454	41,470	17%	6	304,336	236,106	78%	4	226,045	214,616	95%	15	767834.34	492191.34	64%
Stung Treng	0	0	0	0%	6	358,196	180,938	51%	4	304,579	208,741	69%	10	662775.02	389678.94	59%
Svay Rieng	0	0	0	0%	5	303,822	126,145	42%	4	286,056	238,542	83%	9	589877.73	364687.31	62%
Odor Meanchey	0	0	0	0%	6	290,771	189,812	65%	4	191362.6	164092.8	86%	10	482133.32	353905.21	73%
<b>Totals</b>	<b>5</b>	<b>237,454</b>	<b>41,470</b>	<b>17%</b>	<b>33</b>	<b>1,777,231</b>	<b>1,064,266</b>	<b>60%</b>	<b>24</b>	<b>1,597,337</b>	<b>1,232,490</b>	<b>77%</b>	<b>62</b>	<b>3,612,022</b>	<b>2,338,225</b>	<b>65%</b>

## 10.4 Achievements By Program Component : Deconcentrated Sector Projects

### 10.4.1 Community Based Rural Development Project

The Community Based Rural Development Project was supported by a loan from IFAD with the strategic goal of reducing poverty of approximately 39,150 targeted households in the provinces of Kampong Thom and Kampot. The national executing agency was Ministry of Rural Development (MRD) and the project was executed through the Seila systems at the sub-national level.

The project had seven sub-components for which the activities are implemented through sub-contracts between PRDC and the sectoral line departments in each province, each year. These sub-components are described briefly below:

1. **Community Development.** The role of the Community Development (CD) component was to help build the capability of communities to (i) participate in the planning and implementation of their own development, (ii) enable them to sustain their small-scale infrastructure investments, (iii) make better use of the resources to which they have access, and (iv) use services available from government and other sources. The CD inputs were complementary to the infrastructure investments in developing capacity for operation and maintenance tasks.
2. **Gender Mainstreaming.** The gender mainstreaming component was added to the project in response to the identified need to train and prepare women for active involvement in local commune affairs, including nomination of gender focal points in the commune councils and support to the activities of these women.
3. **Irrigation and Water Control.** This component was implemented in partnership with MoWRAM and PDoWRAM and focussed on rehabilitation of medium-scale irrigations schemes. Total hectares of rice irrigated were about 2,348 in Kampong Thom Province and 3,026 in Kampot Province. However, the Mid-Term Review of CBRD expressed concern about the effectiveness of associated farmer water user committee formation and training activities.
4. **Agriculture and Livestock** This component, implemented in partnership with the PDAF, supported farmer trainings, crop demonstrations and extension activities in target districts. The agriculture component received technical support from the Australian-funded CAAEP.
5. **Land Management.** This component was implemented in partnership with the Department of Land Use, Urbanisation and Construction and the principal activity was survey of land holdings and granting of formal land titles. More than 11,000 land titles were granted with support from the project.
6. **Rural Roads.** The project design intention was to support the construction and rehabilitation of village level access roads in partnership with PDRD, and to assign maintenance responsibilities to Local Technical Committees. The planned physical outputs of this component were achieved, (about 200km of roads in total) although the MTR notes that many of the roads supported by the project, especially in Kampong Thom, were not strictly village access roads but were larger commune level or inter-commune roads.
7. **Rural Water Supplies.** The Rural Water Supply component was implemented in partnership with PDRD and focussed on provision of improved wells and associated water use and hygiene education activities. The total number of wells constructed was more than 700.

The following tables shows allocation and disbursement by sector and year, and by province and year, for CBRD funds, and physical outputs of these contracts.



Table 39 CBRD: Commitments and Disbursements By Year							
	2001	2002	2003	2004	2005	2006	All Years
<b>Contracts</b>							
Kampong Thom	0	0	11	14	10	8	43
Kampot	0	0	7	14	10	8	39
Total	0	0	18	28	20	16	82
<b>Commitments (value of signed contracts)</b>							
Kampong Thom	-	-	1,784,465	2,089,779	827,825	730,501	5,432,570
Kampot	-	-	1,586,432	2,057,794	1,380,730	1,370,140	6,395,096
Total	-	-	3,370,897	4,147,573	2,208,555	2,100,641	11,827,666
<b>Disbursements (expenditures against signed contracts)</b>							
Kampong Thom	-	-	1,098,496	999,204	306,978	461,192	2,865,870
Kampot	-	-	747,945	859,513	375,756	509,509	2,492,723
Total	-	-	1,846,441	1,858,717	682,734	970,702	5,358,593
<b>% Disbursed (Disbursement/Commitment)</b>							
Kampong Thom			62%	48%	37%	63%	53%
Kampot			47%	42%	27%	37%	39%
Total			55%	45%	31%	46%	45%

Table 40 Physical Achievements of CBRD-Rural Infrastructure 2001-2006						
Province	Roads (km)		Wells (no.)		Irrigation (ha)	
	Plan	Actual	Plan	Actual	Plan	Actual
Kampot	60	57	182	250	2,210	1,286
Kampong Thom	60	60	157	212	950	Na
Total	120	117	339	462	3,160	

#### 10.4.2 Agriculture Development Support to Seila (ADESS)

The project area covered the four provinces of Pursat, Battambang, Banteay Meanchey, and Siem Reap in the Northwest of the country. The project began in 2000 and the Project Completion Date was 31<sup>st</sup> March 2006 and Loan Closing Date 30<sup>th</sup> September 2006. The lead agency for the project was Project Support Unit (PSU) of Ministry of Agriculture, Forestry and Fisheries (MAFF).

The project had three components: **(A) Agricultural Development** which comprised the Production Start-Up Programme (PSP) and Agriculture Improvement Package(AIP) Programmes and the provision of technical support and capacity building to the provincial and district staff of Provincial Department of Agriculture; **(B) Rural Micro-finance Services** with funds channeled to Micro-Finance Institutions through Rural Development Bank; and **(C) Project Support and Coordination** provided by PSU and STF. The project was implemented within the Seila framework for decentralized planning, financing and implementation with the agricultural component in each province implemented through an annual contract between the PDA and the ExCom.

The PSP targeted very poor households, including those without access to crop land, in village with high levels of food security in both the lowlands and uplands; while AIP targeted poor and food insecure households who may have had adequate land, but lacked the knowledge, the access to improved inputs, the financial or labor resources to exploit it fully.

The **Rural Micro-Finance Component** provided funds through the Rural Development Bank (RDB) for eligible NGOs to on-lend to members of project target beneficiaries. The **Project Support and Coordination** provided inter-provincial coordination, technical support, project monitoring and donor liaison.

**Table 41 ADESS: Commitments and Disbursements By Year**

	2000	2001	2002	2003	2004	2005	All Years
<b>1. Contracts</b>							
Banteay Meanchey	1	1	1	1	1	1	6
Battambang	1	1	1	1	1	1	6
Pursat	1	1	1	1	1	1	6
Siem Reap	1	1	1	1	1	1	6
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>24</b>
<b>2. Commitments (value of signed contracts)</b>							
All Provinces	1,877,885	1,444,651	1,711,286	1,452,427	756,067	702,166	7,944,482
<b>3. Disbursements (expenditures against signed contracts)</b>							
All Provinces	1,250,232	1,296,815	1,468,344	1,280,923	682,791	521,334	6,500,439
<b>4. % Disbursed (Disbursement/Commitment)</b>							
All Provinces	66%	90%	86%	88%	90%	74%	82%

#### 10.4.3 Physical Outputs

The following table summarizes the planned and actual geographical coverage of the Agriculture Development Component of ADESS and the number of beneficiary households.

**Table 42 ADESS: Coverage and Beneficiaries**

Quantitative inputs	Planned	Actual	Progress
<b>Coverage of targets</b>			
District	34	34	100%
Commune	216	216	100%
Village	1,054	1,054	100%
<b>Agriculture Development</b>			
PSP Beneficiaries	13,440	12,840	96%
AIP Beneficiaries	78,098	132,511	170%
Indirect Beneficiaries	8,310	128,075	1,541%

#### 10.4.4 IFAD Rural Poverty Reduction Project (RPRP)

The RPRP was implemented in the provinces of Prey Veng and Svay Rieng beginning in 2004. The lead agency for the project was STFS, with technical inputs from MAFF. Execution at Provincial level was through PRDC.

The Commune Infrastructure Development Fund has been described in Chapter 7 above. The RPRP supported provincial investments at Provincial level through the Department of



Agriculture (Agriculture Support Component); the Department of Women's Affairs (gender mainstreaming within the Institutional Development Component) and contracts for monitoring groundwater resources by the Provincial Departments of Water Resources (technical contracts under the Local Development Component).

The Agriculture Support Component had two main sub-components; these were support to Livelihood Improvement Groups (LIG) comprising the poorest farm families; and Farming Systems Improvement (FSI) through groups composed of poor families with land and access to some resources. The LIG farmers received packages of basic agricultural inputs whilst the FSI farmers were supported with trainings, demonstrations and extension activities.

In addition to these sub-components, Improvement of Agricultural Support (IASS) initiatives included support to village animal health workers (VAHW); vaccination campaigns, marketing support and so on.

The following table shows the financial disbursement performance of provincial contracts supported by RPRP by year to from 2004 to 2006.

<b>Table 43 RPRP: Commitments and Disbursements By Year</b>				
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>All Years</b>
<b>1. Contracts</b>				
Prey Veng	3	3	3	9
Svay Rieng	3	3	3	9
Total	6	6	6	18
<b>2. Commitments (value of signed contracts)</b>				
Prey Veng	367,273	928,475	1,480,194	2,775,942
Svay Rieng	408,406	665,530	933,722	2,007,657
Total	775,679	1,594,004	2,413,916	4,783,599
<b>3. Disbursements (expenditures against signed contracts)</b>				
Prey Veng	271,137	707,741	1,104,007	2,082,884
Svay Rieng	300,111	565,724	723,016	1,588,850
Total	571,248	1,273,464	1,827,022	3,671,735
<b>4. % Disbursed (Disbursement/Commitment)</b>				
Prey Veng	74%	76%	75%	75%
Svay Rieng	73%	85%	77%	79%
Total	74%	80%	76%	77%

The table below summarizes the physical outputs of the Agriculture and Institutional Development components of RPRP by year from 2004 to 2006.

**Table 44 RPRP: Summary Of Quantitative Inputs, Targets And Key Project Factors**

Quantitative Inputs	Total plan	Actual	Progress
<b>Coverage of Communes and Villages</b>			
Communes for Agricultural Investment Activities	84	74	88%
Communes receiving support under Agricultural Investment Component	84	74	88%
<b>Agriculture Investment Component</b>			
New Farmer Groups (Livelihood Improvement)	1,008	500	50%
Farmer System Improvement Groups	1,008	500	50%
Farmers Cumulatively targeted by programme	50,400	25,000	50%
New village extension workers	1,008	204	20%
New commune extension workers	168	148	88%
Young Farmer Club	672	7	1%
Demo	3,024	1,762	58%
- Rice Variety		352	
- Rice-Fertilizer		313	
- Soil Improvement		76	
- Vegetable Production		312	
- Fruit tree		20	
- Pig Raising		332	
- Chicken Raising		156	
- Integrated Farming System		196	
- Goat Raising		5	
Farmer Field School	1,008	36	4%
Field Day/ Commune Fair	420	30	7%
Private Sector Training	1,635	293	18%
VAHW		160	
VAHW Association		8	
Training ( Person/day)		120,507	
<b>Technical Contracts Under Local Development Component</b>			
<b>Technical Contracts</b>			
Monitoring of Groundwater levels and Quality (wells)	51	51	

#### 10.4.5 Canada Agricultural Development in Mine Affected Areas of Cambodia (ADMAC)

Following a design process that began in mid-2003, the four-year, US \$ 4.17 million, ADMAC Project financed by Canadian CIDA commenced in 2006. During the first year of implementation ADMAC was executed by the Ministry of Agriculture with the Cambodian Mine Action Authority (CMAA) and Seila as cooperating partners. ADMAC aimed at reducing poverty among vulnerable men and women farmers by increasing food security and income in 6 mine-affected districts in the three north-west provinces/municipalities of Banteay Meanchey, Battambang and Pailin,

ADMAC had two components: (i) Agricultural Extension with four programs (Production Start-up Program (PSP), Agricultural Improvement Program (AIP), agricultural micro-finance and implementation support) and (ii) Mine Action. The Agricultural Extension Component built extensively on experience developed by MAFF under the IFAD-financed ADESS and RPRP programs. PSP targeted very poor households with high levels of food insecurity with agriculture inputs and farmer training. AIP targeted more food secure and experienced farmers, some of whom would become village extension workers. A micro-finance initiative focusing on commune savings and credit groups was initiated in order to help secure access to capital.



The mine action component consisted of support to the three provincial Mine Action Planning Units (MAPU) as well as some unprogrammed funds for mine action activities that might be required and not otherwise supported by mine action agencies. As all PSP/AIPs were in mine-affected villages (villages still reporting suspected mined areas, or villages from which mines have been removed very recently) MAPUs played an important role in planning and coordinating the response to different land use situations encountered. These included land reported to be suspected mined areas (SMAs); post clearance assistance on land that had very recently been cleared of mines and where further assistance was needed to help bring PSP and AIP farmers into agricultural production; and suspected mined areas (SMAs) with Uncertain Status, where lands were thought to have been cleared of mines but for which there remained some uncertainty as to their safety. These lands could either be used for farming or were desirable for farming by a PSP/AIP member.

A total of US \$ 821, 000 was programmed by Canada in 2006, primarily to finance the activities of the provincial agriculture departments and MAPUs in the three provinces/municipalities. Specific attention was given to agriculture gender mainstreaming based on the strategy developed by MAFF for the IFAD/RPRP program. ADMAC continued to develop the practice of recruiting and training commune extension workers who served as a liaison between farmer groups and the District Agriculture Office in support to local agriculture activities.

Table 45 ADMAC: Commitments and Disbursements in 2006				
	Agriculture	Mine Action	Gender	Total
<b>1. Contracts</b>				
Banteay Meanchey	1	1	0	2
Battambang	1	1	0	2
Pailin	1	1	0	2
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>6</b>
<b>2. Commitments (value of signed contracts)</b>				
Banteay Meanchey	133,339.80	22,113.00	0	155,452.80
Battambang	420,077.30	30,000.00	0	450,077.30
Pailin	160,566.20	21,252.00	0	181,818.20
<b>Total</b>	<b>713,983.30</b>	<b>73,365.00</b>	<b>0</b>	<b>787,348.30</b>
<b>3. Disbursements (expenditures against signed contracts)</b>				
Banteay Meanchey	127,603.57	21,281.16	0	148,884.73
Battambang	286,258.00	28,745.48	0	315,003.48
Pailin	136,141.28	19,645.00	0	155,786.28
<b>Total</b>	<b>550,002.85</b>	<b>69,671.64</b>	<b>0</b>	<b>619,674.49</b>
<b>4. % Disbursed (Disbursement/Commitment)</b>				
Banteay Meanchey	95.70%	96.24%	0	95.77%
Battambang	68.14%	95.82%	0	69.99%
Pailin	84.79%	92.44%	0	85.68%
<b>Total</b>	<b>77.03%</b>	<b>94.97%</b>	<b>0</b>	<b>78.70%</b>

## 10.5 Special Project Arrangements

### 10.5.1 Cambodia-Australia Agriculture Extension Project (CAAEP)

The Cambodia-Australian Agricultural Extension Project (CAAEP), managed under the Department of Agricultural Extension (DAE) of the Ministry of Agriculture, Forestry and Fisheries, supported local agricultural development planning based on Agro-Ecosystems Analysis (AEA) and a set of technology improvement packages which are responses to key questions identified in the conduct of AEA for communes. CAAEP provided support to 17 provinces; in eight of these provinces the partnership arrangement between Seila and CAAEP developed within the context of the three, large-scale IFAD loan programs (ADESS, CBRD and RPRP).

Following discussions between the Ministry of Agriculture, Seila, CAAEP and PLG in August 2004, a new policy initiative was launched by MAFF related to agricultural development within a D&D context. It was agreed that allocations of PIF resources to agricultural development in the CAAEP-supported provinces would focus on those communes where commune development plans had been developed through the AEA methodology adopted by the Ministry as a matter of policy. The initiative was formally introduced to the provincial authorities at the Seila National Workshop in September of 2004 following which a MAFF workshop was organized for the 14 provinces receiving support at that time. This workshop proposed a protocol aligned to the 11 steps of the local planning process which enabled AEA derived activities to be put forward as a commune agricultural plan which might then attract PIF funding.

CAAEP's direct support to the PDAs was through output-based contracts covering commune AEA implementation, training, M&E and staff appraisal. These contracts are summarized in the following table.

Table 46 Summary of CAAEP Contracts with Department of Agriculture					
	2003	2004	2005	2006	Total
<b>1. Number of Provinces</b>					
AEA implementation	14	14	14	17	59
Training	14	14	14	17	59
M&E	14	14	14	0	42
Staff Appraisal	0	14	12	0	26
<b>2. Number of Contracts</b>					
AEA implementation	68	90	151	74	383
Training	1	65	69	12	147
M&E	14	19	154	0	187
Staff Appraisal	13	13	11	0	37
<b>3. Value of Contracts</b>					
AEA implementation	\$70,495	\$93,302	\$166,597	\$76,840	\$407,234
Training	\$5,818	\$116,748	\$155,767	\$165,383	\$443,716
M&E	\$2,881	\$30,813	\$47,081	\$241	\$81,016
Staff Appraisal	\$0	\$28,488	\$19,324	\$0	\$47,812

### 10.5.2 France-Mini Reseaux D'eau Potable (MIREP) Project

The MIREP project was funded by the French government and implemented through the GRET NGO with engineering inputs from the locally based KOSAN engineering consultancy. The project focussed on developing piped water supply schemes in large villages and small towns in



Takeo province, by working with private investor-operators. MIREP cooperated with GTZ and with UNICEF to develop similar schemes in Kampot and in Kandal provinces.

MIREP used the Seila system to manage the grant-aid component of the project's support to private investors. Investors also benefited from loan finance provided through a bank.

The MIREP project commenced activities in Takeo in 2000 and the project was completed in August 2005. During this five-year period the project supported 10 rural piped water supply projects with total budget amount of US\$ 126,425 and attracted private sector investments of about US\$ 140,000. The projects have benefited more than 2,500 families with an estimation of 125,000 people. One scheme was implemented as a public-private partnership with a Commune Council.

Following the success of the MIREP project, GRET began formulation of a successor project (known as PACEPAC) in the second half of 2006.

### **10.5.3 Canada – IFSN**

The Improvement of Food Security and Nutrition project (IFSN) project was implemented by PRDC in Takeo under two successive phases through direct agreement with the Canadian Cooperation Office. The first phase, 2002-2003, provided US \$ 88,000 for support to agriculture and US \$45,000 for water supplies and sanitation activities. The second phase was signed in early 2005 with a two-year implementation period. The project was targeted to 74 villages of 16 communes in 5 districts of Takeo and applied an integrated development strategy focused on improving nutrition of the rural poor. Primary activities included integrated farming systems, animal husbandry, fish raising, rural water supply and nutrition education. Investments totaling US \$83,206 from this source were reflected in the 2005 SAWPB, whilst in 2006 the figure was US \$ 60,478. The IFSN represented one amongst several examples of development partners signing direct agreements with provinces utilizing the structures and systems established under Seila.

### **10.5.4 Other Provincial Investments Through Seila**

In addition to the projects described above, there were a number of other arrangements which supported investment funding through Seila systems or in cooperation with the Seila Programme. These included:

**GTZ – Rural Development Project.** This project was implemented in Kampot and Kampong Thom provinces with the role of providing technical assistance support to the IFAD-CBRD project described above, and also supporting an investment component independent of CBRD;

**AusCare-Resettlement Project in Otdar Meanchey.** This project was implemented by the NGO AusCare with Australian aid funding and supported investments totalling US \$252,971 through the SAWPB in Otdar Meanchey province in 2001. These funds supported investments in agriculture and in education and post-conflict reconciliation activities;

**JICA-Weapons For Development.** This Japanese funded initiative provided investments worth US \$ 186,753 in Pursat province in 2001, as an incentive for the local population to give up household ownership of firearms, which was a prevalent practice up to that time;

**Angelina Jolie – Primary School Construction.** The film star Angelina Jolie privately funded investments in primary schools totaling almost US \$ 300,000 in Siem Reap province in 2001 and 2002.

## 11 National Ministry Services

### 11.1 Overview

The role of national Ministries in further designing and refining the decentralized regulatory framework; designing and overseeing national training programs to build capacity at all levels; monitoring and evaluating performance and supervising sub-national authorities; developing and piloting new implementation strategies within the D&D framework was critical to moving forward with the government's reforms.

Key Ministries received annual allocations of funds supported by PLG and other donors through the Seila AWPB process. Activities funded by these allocations were then reflected in contracts signed between STFS (for fund sources executed through STF) and the concerned institution.

In some cases funds related to the roles and responsibilities of Ministries in relation to executing projects within the Seila framework; in particular, the MAFF-PSU responsibility as lead agency for ADESS and cooperating agency for RPRP. Other funds supported more generic activities in support of D&D.

Within each Ministry a team lead by the Seila Focal Point for the Ministry were responsible for preparation and execution of the Seila work-plan. These staff members received salary supplements funded by the STFS-Ministry contracts.

Approximately \$ 2.9 million, or 60% of all National Ministry Services funds, were allocated to the NCSC-member Ministries to support a wide range of activities related to policy and regulatory development as well as capacity building and national supervision functions.

The following table shows total resources allocated to Ministries and other national agencies through the Seila AWPB.

Source of Funds	2001	2002	2003	2004	2005	2006	Total
PLG	210,000	407,000	344,000	350,000	450,000	600,000	2,361,000
IFAD	191,458	239,380	177,283	242,878	192,096	178,361	1,221,456
Danida	0	0	0	99,000	62,422	170,000	331,422
UNICEF	0	0	0	0	162,000	100,000	262,000
Canada (ADMAC)	0	0	0	0	0	33,401	33,401
<b>Total</b>	<b>401,458</b>	<b>646,380</b>	<b>521,283</b>	<b>691,878</b>	<b>866,518</b>	<b>1,081,762</b>	<b>4,209,279</b>

The next table shows the allocation of these resources to Ministry / agency by year.

Sector	2001	2002	2003	2004	2005	2006	Total
INTERIOR	30,000	200,000	100,000	100,000	131,000	270,000	831,000
FINANCE/TREASURY	40,060	62,000	50,000	53,328	55,880	49,820	311,088
PLANNING	30,000	35,000	45,000	40,000	72,000	85,000	307,000
RURAL DEVELOPMENT	109,410	136,340	45,000	130,000	173,806	244,235	838,791
WOMEN'S AFFAIRS	30,000	30,000	35,000	49,520	101,670	98,730	344,920
AGRICULTURE	131,988	137,328	190,071	140,030	114,740	93,977	808,134
WATER RESOURCES	30,000	30,000	15,000	30,000	35,000	35,000	175,000
SOCIAL AFFAIRS	0	0	10,000	15,000	16,000	20,000	61,000



Table 48 Resources for National Ministry Services in Seila AWPB By Sector							
Sector	2001	2002	2003	2004	2005	2006	Total
LAND MANAGEMENT	0	0	0	73,100	45,822	43,500	162,422
ENVIRONMENT	0	0	0	0	20,000	20,000	40,000
COUNCIL ADMIN REFORM	0	0	10,000	25,000	25,000	25,000	85,000
NATIONAL AUDIT AUTHORITY	0	0	0	0	10,000	10,000	20,000
FORESTRY ADMINISTRATION	0	0	0	0	0	30,000	30,000
CMAA	0	0	0	0	0	5,000	5,000
RURAL DEVELOPMENT BANK	0	15,712	7,212	0	0	0	22,924
NRM ADVISORY GROUP	0	0	14,000	25,900	20,200	0	60,100
OTHER MINISTRIES / RESERVE	0	0	0	10,000	45,400	51,500	106,900
<b>Totals By Year</b>	<b>401,458</b>	<b>646,380</b>	<b>521,283</b>	<b>691,878</b>	<b>866,518</b>	<b>1,081,762</b>	<b>4,209,279</b>

## 11.2 Achievements by Ministry

### 11.2.1 Ministry of Interior – Department of Local Administration

The largest allocation of the core Ministry Services investment funds supported by PLG was to the Department of Local Administration (DoLA) of the Ministry of Interior. The principle outputs of the cooperation between STFS and MoI-DoLA were:

- **Strengthening of the Decentralized Regulatory Framework.** The work involved in strengthening the decentralized regulatory framework was carried out under the NCSC and the NCSC sub-committees with the MoI Director-General of Administration playing the role of Secretary-General and DoLA providing backup support and coordination.
- **Support to the NCSC Capacity Building Program.** STFS provided funding and technical support for development of the NCSC annual training plans and for design and delivery of many of the training modules under this program.
- **Commune / Sangkat Information and Communication System.** Collaboration between DoLA and the STFS on the design and piloting of a local information and communication strategy commenced in 2002 and continued throughout 2003. Based on initial experience gained in the first pilot phase in 2002, a second pilot phase was implemented in 20 communes in the two provinces of Takeo and Kampong Cham during 2003. With support from a short-term consultant, a revised "Information and Communication Strategy to Support Decentralisation in Cambodia" was formulated by the joint provincial working group. This document was submitted to the IO/NGO Partnerships in Decentralisation working group for comment and to DoLA for review and final approval. The strategy was approved later in the year and a workplan for 2004 formulated to further test new initiatives in local information and communication and to disseminate the strategy to other provinces and communes through national workshops. Finally, under this component training was delivered to DoLA staff on newsletter production, layout and writing skills.
- **National Supervision, Monitoring and Evaluation.** National supervision of the activities of the C/S Councils represented an important aspect of the MoI/DoLA mandate. The cooperation arrangement with Seila supported DoLA staff in national supervision activities including: coordination and communication with 24 provinces/ municipalities; the establishment of monitoring visits to follow up and assess implementation of training and compliance with regulations and systems at province and commune level; PLAUS staff recruitment and replacement; attendance at important workshops and congresses; trouble shooting and general backstopping to provinces related to decentralization. Assistance provided included operational budgets for support and field travel, the establishment of a computer network within DoLA with email connections to provinces, English language training and on the job capacity development.

- **Strengthening of Accountability in Utilization of C/S Fund.** The system of National and Provincial Accountability Working Groups, was designed by MoI in 2004-2005 with support from PLG and STFs.
- **Design of the District Initiative Pilot.** The District Initiative Pilot was designed by MoI with technical support from PLG advisers and material support from STFS during 2005. Further development of this initiative, including evaluation of the results of the first year of implementation, was undertaken during 2006.

**Table 49 Implementation of STFS – National Ministry Services**  
Contracts: MoI - DoLA

Year	Allocation	Disbursement	% Disbursed
2001	29,960	23,492	78%
2002	182,920	77,863	43%
2003	100,000	98,314	98%
2004	99,998	80,557	81%
2005	125,000	124,766	100%
2006	231,850	105,607	46%
All Years	769,728	510,599	66%

## 11.2.2 Ministry of Economy and Finance / National Treasury

MEF received annual allocations of funding from STFS to support its role in strengthening of fiscal decentralization systems and in particular, the design and financial management of the C/S Fund.

The achievements of this cooperation include:

1. **C/S Fund Regulations:** In the second half of 2001, a PLG technical consultant assisted MEF to design the inter-governmental transfer system and draft the Sub-Decree establishing the C/S Fund and regulations. From that time, PLG advisors working in cooperation with UNDP/DSP finance advisors, assisted MEF and the National Treasury in the design of nearly all Sub-Decrees, Prakas, Decisions and Amendments relating to the C/S Fund procedures, budget formats and chart of accounts, accounting system and reporting formats and procurement guidelines as well as for the preparation of the annual C/S Fund allocations;
2. **C/S Fund Operations:** Comprehensive support from Seila and PLG was provided to the NCSC Sub-Committee on Fiscal Affairs, MEF and Treasury for the work involved in: setting the annual level of the C/S Fund; determining the formula for annual allocations to C/S Councils; determining the annual schedule of C/S Fund transfers from all sources; revisions to accounting formats and procedures for accommodating targeted transfers to specific C/S Accounts from donor partners; and national accounting and reporting on overall transfers and disbursements;
3. **Capacity Development:** MEF cooperated with MoI-DoLA in developing and delivering training in financial management for the C/S Councils. STFS cooperation with MEF also supported training needs assessments and design and delivery of training to C/S Accountants in Provincial/Municipal Treasury
4. During 2003-2004 a **computerized accounting system**, known as CDAS, was developed by STFS in cooperation with MEF, with the intention of introducing this system for maintaining the C/S accounts in Provincial / Municipal Treasuries. The system was developed to full functionality and was pilot tested in two provinces during



2004; but work was discontinued as there was not a clear decision in principle from MEF / National Treasury to adopt CDAS as the unique accounting system (as opposed to an additional means of recording financial transaction data) for the C/S accounts.

Table 50 Implementation of STFS – National Ministry Services Contracts: MEF			
Year	Allocation	Disbursement	% Disbursed
2001	29,652	15,518	52%
2002 <sup>12</sup>	-	-	
2003	49,998	26,260	53%
2004	30,000	23,032	77%
2005	30,000	22,113	74%
2006	40,000	14,089	35%
All Years	179,650	101,011	56%

### 11.2.3 Ministry of Planning

The major outputs of cooperation between STFS and Ministry of Planning included:

1. Development and Dissemination of Guidelines for C/S Planning;
2. Development and Dissemination of Guidelines for the District Integration Process and PIF allocation;
3. Maintenance and continuous development of the Commune Data Base (CDB) and the Village / Commune Data Book data collection system;
4. Capacity Building of Provincial Departments of Planning.

Table 51 Implementation of STFS – National Ministry Services Contracts: MoP			
Year	Allocation	Disbursement	% Disbursed
2001	29,939	18,298	61%
2002	34,568	24,198	70%
2003	44,990	43,972	98%
2004	40,000	39,984	100%
2005	45,000	45,062	100%
2006	55,500	28,302	51%
All Years	249,997	199,816	80%

### 11.2.4 Ministry of Rural Development

The cooperation between Seila and MRD at national level had three components:  
 Support to the MRD-Seila Working Group, funded by STFS using PLG resources.  
 The operations of the Project Support Unit (PSU) for implementation of the CBRD project, funded by IFAD;  
 Support to national activities of the Seth Koma program, funded by UNICEF;

<sup>12</sup> No information is available from 2002.

The STFS-MRD cooperation had the following main outputs:

1. **Capacity Building of the Technical Support Units.** This included development of standard technical designs and guidelines and the development of a two-week basic technical training course. The course was delivered by MRD to all newly recruited TSO each year from 2002 onwards, while PLG Infrastructure Advisers trained TSOs who were recruited before that date, following the same course materials;
2. **Monitoring Performance of Technical Support Units.** The MRD team undertook a systematic program of provincial monitoring visits focussed on the work of the TSU, but also gathering information on issues arising in all aspects of C/S Fund implementation. When these issues were outside the mandate of MRD they were brought to the attention of the responsible agencies.
3. **Technical Studies.** The MRD Seila Working Group undertook a number of studies of the technical quality of C/S Fund project outputs, most notably an evaluation of LDF and C/S Fund wells (2004), a study of the sustainability of C/S Fund laterite roads with the assistance of KOSAN (2003) and an economic evaluation of C/S Fund laterite roads (2004).
4. **Cooperation in development of C/S Fund Project Implementation Manual** MRD officials cooperated with MoI-DoLA in developing and revising the PIM, focussing particularly on technical aspects.
5. **Sectoral Policy and Technical Matters.** Through the Seila Working Group, support was provided to the Department of Rural Roads and the Department of Rural Water Supplies for support to policy discussions, developing technical materials, organisation of workshops etc.
6. **Coordination of Seila Activities of Provincial Departments of Rural Development.** Through provincial visits and periodic meetings in Phnom Penh, the MRD Seila Working Group provided a forum for coordination and exchange of ideas and experiences between Provincial Departments of Rural Development nationwide, in implementation of Seila Program activities.

Table 52 Implementation of STFS – National Ministry  
Services Contracts: MRD

Year	Allocation	Disbursement	% Disbursed
2001	29,995	19,063	64%
2002	29,990	27,428	91%
2003	44,987	39,340	87%
2004	39,998	37,234	93%
2005	47,897	43,951	92%
2006	60,686	23,368	39%
<b>All Years</b>	<b>253,553</b>	<b>190,384</b>	<b>75%</b>

### 11.2.5 Ministry of Women's Affairs

The two principal components of cooperation between STFS and the Ministry of Women's Affairs were the development, implementation and monitoring of the Gender Mainstreaming Strategy, and capacity building activities focussed on the Provincial Departments of Women's Affairs.

Gender mainstreaming outputs included:

1. **The Seila Gender Mainstreaming Strategy**, which was annexed to the Seila Program Document, was endorsed by MoWA as the Ministry's Gender Mainstreaming Strategy in



2001 and became the basis for further work in this area. A major review of the strategy during 2005 concluded that substantial progress had been made in the promotion of gender sensitivity in local governance. More information on gender within Seila is provided in Chapter 16.

2. **Establishment of Guidelines C/S Women and Children Focal Points (CWCFP)**, and development and printing of handbooks which were disseminated to the focal points in all 1,621 communes and sangkats early in 2004. MoWA also cooperated with MoI-DoLA to develop guidelines for C/S Councils to provide small salaries to non-councillor CWCFP using the C/S Administration budget;
3. **Mainstreaming Gender in the C/S Planning Process.** A guideline was developed jointly with the Ministry of Planning and was disseminated in 2005;
4. **Mainstreaming Gender in the design of the IFAD-RPRP;**
5. **Monitoring of implementation of Gender Mainstreaming Strategy.** To assist in monitoring, a checklist was developed by MoWA in 2005 and was used during field monitoring visits.

Capacity Building activities of MoWA supported by Seila focussed on (1) cooperation with MoI-DoLA in genderdeveloping the capacity of Provincial Departments of Women's Affairs to advise on, oversee and monitor gender mainstreaming at provincial level, and on "gender advocacy" activities aimed at the wider group of officials and advisers participating in implementation of the Seila program.

Table 53 Implementation of STFS – National Ministry Services Contracts: MWA			
Year	Allocation	Disbursement	% Disbursed
2001	29,995	23,121	77%
2002	29,911	30,690	103%
2003	34,959	34,929	100%
2004	49,823	36,038	72%
2005	138,376	97,139	70%
2006	55,000	11,217	20%
All Years	338,064	233,134	69%

### 11.2.6 Ministry of Agriculture, Forests and Fisheries (MAFF)

The Seila Program activities of the MAFF had two components: support to the IFAD and Canada-supported deconcentrated agriculture sector projects, and broader technical support and capacity building activities. The technical support and capacity building activities attempted to disseminate the best practice developed through the sector projects; beyond the geographical coverage of these projects and in some cases beyond the Seila framework.

The MAFF-PSU had the following project execution responsibilities:

- Lead agency for execution of the IFAD-ADESS loan project;
- Technical cooperating agency for the IFAD-RPRP project;
- Lead agency for execution of the Canada-ADMAC project.

MAFF-PSU also worked in close cooperation with the Australian funded CAAEP project. At the close of the Seila Program in 2006 lead agency responsibilities for RPRP were transferred from STFS to MAFF-PSU.

All the projects supported by MAFF-PSU followed a common general methodology with a strong poverty focus involving targeting of landless farmers and poor but land-holding farm households with appropriate interventions; use of Commune Extension Workers supported through the District Agriculture Office, and coordination with the Provincial administration through the PRDC. CAAEP assisted in developing an Agro-Eco-Systems Analysis module for C/S Planning which was then used as the basis for planning agricultural interventions in project target communes and for PIF agriculture activities.

**Documentation and Dissemination** activities comprised documenting this methodology and the lessons learned, and transference of the methodology to additional provinces through Seila and to other projects. Both ADB and World Bank supported agriculture projects adopted elements of the Seila methodology. The RPRP and ADMAC projects were designed in accordance with the methodology developed under ADESS.

**Capacity Building:** MAFF-PSU conducted capacity building activities including trainings for Provincial and District agriculture staff on technical issues, on agriculture in the C/S planning process, on collection of agricultural data etc. MAFF was also active in organising workshops and other forums for coordination and exchange of experiences between Provincial Agriculture Departments.

Table 54 Implementation of STFS – National Ministry Services Contracts: MAFF			
Year	Allocation	Disbursement	% Disbursed
2001	11,399	8,493	75%
2002	19,917	17,171	86%
2003	19,997	18,612	93%
2004	20,000	17,991	90%
2005	25,000	24,329	97%
2006	30,000	16,355	55%
All Years	126,313	102,951	82%

### 11.2.7 Ministry of Water Resources and Meteorology (MoWRAM)

The main components of cooperation between MoWRAM and Seila were:

1. **Coordination** of Seila activities of Provincial Departments of Water Resources;
2. **Capacity Building** of Provincial Departments of Water Resources in formation, training and support of Farmer Water User Communities following the Ministry guidelines; and in application of the Participatory Irrigation Management and Development (PIMD) methodology adopted as Ministry policy for small scale irrigation development;
3. **Development of Technical Standards** including guidelines for survey and design of small scale irrigation structures and standard design details for use in C/S Fund small scale irrigation projects;
4. **Capacity Building of Technical Support Units** in both irrigation technology and in application of guidelines for Farmer Water User Community formation;
5. **Monitoring and Evaluation** of C/S Fund irrigation investments.

MoWRAM also cooperated with Seila in design and implementation of a strategic study of groundwater resources in Prey Veng and Svay Rieng provinces under the RPRP project. The second stage of this study was under way at the close of the Seila program. The study will result



in development of a three-dimensional computer model that can predict the effect of increased groundwater extraction for irrigation, or other scenarios affecting groundwater resources, and can be used for rational planning and regulation of groundwater extraction and use.

Table 55 Implementation of STFS – National Ministry Services Contracts: MoWRAM			
Year	Allocation	Disbursement	% Disbursed
2001	29,980	21,980	73%
2002	29,765	23,664	80%
2003	20,666	19,268	93%
2004	29,995	28,176	94%
2005	34,995	31,503	90%
2006	35,000	14,230	41%
All Years	180,401	138,820	77%

### 11.2.8 Ministry of Social Affairs (MSA)

The key output of cooperation between Seila and the Ministry of Social Affairs was a guideline for integration of social issues into the provincial and local planning processes. This work received support from UNICEF as well as a number of NGOs. The work began in 2003 but was delayed when the Ministry of Social Affairs, Labour, Veterans and Youth was divided into MSA and the Ministry of Labour. However, a guideline for social planning at Commune level was piloted in two communes in Prey Veng and Svay Rieng provinces during 2005. Terms of reference for the various stakeholders were drafted and the Ministry working group drafted simple materials for orientation of the C/S Councils on social issues.

Table 56 Implementation of STFS – National Ministry Services Contracts: MSA			
Year	Allocation	Disbursement	% Disbursed
2001	-	-	-
2002	5,410	5,294	98%
2003	9,998	9,707	97%
2004	14,995	11,442	76%
2005	16,000	15,981	100%
2006	20,850	4,590	22%
All Years	67,253	47,013	70%

### 11.2.9 Ministry of Land Management

The Ministry of Land Management, Urban Planning and Construction (MLMUPC) began cooperation with Seila in 2004. This cooperation was designed to speed decentralization of land management functions to the provincial and commune levels and specifically to support mainstreaming of NREM through land use planning methodologies.

Key achievements of the Seila – MLMUPC cooperation comprised of:

- technical design and formulation of guidelines for Participatory Land Use Planning (PLUP) ;
- A Prakas (2005), jointly with MoI, on the Role and Responsibility of the Commune Council in land registration;
- A Sub-Decree on State Land Management, supporting the creation of a legal framework for PLUP;a standard GIS / mapping strategy for land use planning and an integration process and framework for quick mapping using existing national land cover data to support integration of land and NREM into C/S planning;
- Capacity development of Provincial Department of Land Management staff on PLUP and mapping methods. All CCB-NREM communes had access to commune land use maps, simplified maps and problem/causes/solution maps for CIP/CDP. All 27 PLUP communes (117 villages in 7 Provinces) completed their steps by December 2006 and submitted their report to MLMUPC for review and follow up.

**Table 57 Implementation of STFS – National Ministry Services  
Contracts: MULMC**

Year	Allocation	Disbursement	% Disbursed
2004	48,480	17,659	36%
2005	43,989	16,420	37%
2006	40,125	28,769	71%
<b>All Years</b>	<b>132,594</b>	<b>62,848</b>	<b>47%</b>

#### **11.2.10 Ministry of Environment (MoE)**

Ministry of Environment cooperated with Seila during 2005 and 2006 to support implementation of the Danida-CCBNRM project. The principal focus was the establishment and support of Community Protected Areas (CPA). With support from Seila and in cooperation with state and civil society stakeholders, Ministry of Environment drafted a Prakas and Technical Guidelines for establishment of CPAs.

MoE also undertook capacity building activities in protected areas management with Ministry and Provincial Department of the Environment staff and with staff of partner projects to the Department of Nature and Conservation. The training included participatory protected areas concepts; CPA development process and participatory research methods.

MoE conducted follow-up monitoring and evaluation of the CPA initiatives supported by the Danida CCB-NRM project. MoE organized workshops for coordination and exchange of experiences between CPA practitioners from different provinces.

**Table 58 Implementation of STFS – National Ministry Services  
Contracts: MoE**

Year	Allocation	Disbursement	% Disbursed
2005	20,000	18,430	92%
2006	20,000	12,018	60%
<b>All Years</b>	<b>40,000</b>	<b>30,448</b>	<b>76%</b>



### 11.2.11 Council Admin Reform (CAR)

Cooperation between the Council for Administrative Reform and Seila focused on evaluating relevant Seila experience pertaining to the policy framework for decentralization and deconcentration. The budget support provided to CAR enabled them to make structured visits to province level to investigate the roles, functions, job descriptions and administrative policies being applied to the PRDC ExComs; the deconcentrated agricultural development model developed by MAFF with clearly defined horizontal and vertical lines of management and accountability; the role of the district in regard to the C/S Councils; the district integration process and service delivery. Lessons learned from these visits were analyzed and channeled into the ongoing dialogue and consultations within the CAR for further review in terms of the policy framework for decentralization and deconcentration. CAR also hosted workshops to introduce the program on public reforms 2004 – 2008; 650 government officials from 14 provinces attended these workshops in 2005.

**Table 59 Implementation of STFS – National Ministry Services  
Contracts: CAR**

Year	Allocation	Disbursement	% Disbursed
2003	10,380	8,113	78%
2004	19,999	14,612	73%
2005	33,146	25,411	77%
2006	30,824	15,080	49%
All Years	94,349	63,214	67%

### 11.2.12 National Audit Authority (NAA)

The National Audit Authority (NAA) was established in 2003 as an independent institution with responsibility for ensuring the transparency and accountability of use of public resources. Using PLG funds, STFS supported the NAA to prepare, test and modify audit procedures and to conduct a full financial report audit of the C/S Fund 2003. NAA completely conducted 2003 financial reports in 24 provinces/municipalities and 10 % of sample commune/sangkat (161 commune/sangkat) by the end of October 2004. The primary audit reports of C/S and provincial consolidated audit reports were prepared and submitted to C/S and provinces/municipalities for reviewing and providing feedback to the recommendation of the NAA audit team. At the national level, the auditing findings and recommendations were furnished to national treasury for review and feedback. The finalised audit reports were forwarded to the National Assembly for review and approval.

Unfortunately there was a long delay before the report of this audit was approved for release by the National Assembly. This was due in part to the fact that the 2003 C/S Fund Audit was one of the first activities of the NAA and both the procedures for report clearance and lines of responsibility within the government were not clear. The first audit was supported by donor funds but the Government had made a commitment to donors to support the audit from national budget resources in following years. Unfortunately this was not done. In 2006 NAA conducted a limited audit of C/S Fund 2004 and 2005 accounts in 4 provincial treasury offices and 10% of communes in four selected provinces (Battambang, Kampong Chhnang, Kampot and Kampong Speu) with funds provided through Seila.

**Table 60 Implementation of STFS – National Ministry Services**  
**Contracts: NAA**

Year	Allocation	Disbursement	% Disbursed
2004	7,160	3,570	50%
2005	9,310	9,010	97%
2006	13,950	660	5%
All Years	30,420	13,240	44%

### **11.2.13 Forestry Administration**

A total sum of US\$ 30,000 was set aside in the 2006 CCB-NREM AWPB for the Forestry Administration (FA) to initiate pilot activities on partnership forestry. No disbursement was made in 2006. Initial meetings took place with FA to discuss Partnership Forestry Pilot ideas. A concept note on Partnership Forestry was drafted in corporation with CCB-NREM and WCS for further consultations with a wider range of stakeholders. There was limited time for implementation due to the closure of the CCB-NREM component. Therefore, it was agreed that the partnership forestry pilot project would be taken up by the Multi Donor Livelihoods Facility in the 2006-2010 Natural Resource Management and Livelihoods Program.

### **11.2.14 Cambodia Mines Action Authority (CMAA)**

CMAA received US \$ 5,000 from the Canada-funded ADMAC project to support CMAA in fulfilling its coordination and monitoring functions under ADMAC particularly related to the work of the Mine Action Planning Units (MAPU) at provincial level. The MAPUs, in the five most heavily mine-affected provinces of the country, developed out of the earlier Land Use Planning Units (LUPU) which were established through six years of continuous support from Seila focused on developing priorities for mine action and land use plans derived from land clearing in a participatory, decentralized manner. This represents another example of a local initiative, which applied a deconcentrated and decentralized approach to what was previously a highly centralized process, being transformed and institutionalized into a national operation.

### **11.2.15 Rural Development Bank**

Under the micro-finance component of the IFAD ADESS Project, the RDB was responsible for the preparation of supplementary financial agreements (SFA) with NGOs operating in the project area of the four target provinces in the northwest for the provision of agricultural credit to farmers. The RDB received allocations of ADESS funds to support the following activities:

- Monitoring visits to follow up on implementation of credit agreements;
- Negotiations and signing of new loan agreements;
- Training provision to all cooperating Micro-Finance Institutions with regard to RDB loan administration procedures, reporting and other credit related topics.

### **11.2.16 Natural Resource and Environment Advisory Group**

The NREAG consisted of 11 officials from nine Ministries most directly involved with Natural Resources and Environment Management who provided policy and technical guidance and advisory services for the implementation of the Seila NREM strategy. Cooperation between the NREAG and STFS was focused on three main components: technical design; capacity development; and coordination.

**Technical Design:** Inherent to the design and implementation of the NREM activities supported by Seila, the NREAG played a key role in the design of a number of planning tools on resource mapping and livelihood assessments; methodologies for mainstreaming NREM;



guidelines for monitoring and technical certification of plans developed by communes; and an analytical framework for policy formulation. The NREAG was also heavily involved in finalizing the design of the four-year, Danida-financed CCB-NREM Project, 2004-2007, and participating in the appraisal which lead to the project being approved towards the end of the year.

**Capacity Development:** following the design of the above tools and methodologies, the NREAG together with the STFS and PLG carried out training of trainers courses for the provincial technical facilitation teams (PTFT), focused on the commune planning tools and mainstreaming methodologies; monitoring and technical certification process; and livelihood and NREM assessments. The NREAG also carried out follow up visits to review with the PTFTs the results of training carried out at commune level.

**Coordination:** to ensure effective project planning, technical coordination and policy analysis, the NREAG met on a monthly basis; prepared presentations and participated in the quarterly review meetings and helped organize the annual NREM planning workshop.

However, it was always the intention that the primary purpose of NREAG would be to provide policy direction rather than support implementation directly. The Program Advisory Team (PAT) mission report found the following weaknesses: advocacy and policy dialogue, effectiveness of the mandate and double functionality in NREAG and the Ministry Seila Working Groups. Beside this the informal setting and unclear financial arrangements made it difficult to monitor and evaluate progress. By 2005 NREAG was assessed as "effectively non-functional" and Seila support was discontinued. Advocacy and policy dialogue on NREM was continued through the relevant Ministry-Seila Working Groups.

**Table 61 Summary of National Ministry Services Contracts**

Agency	Contracts	Commitment	Disbursement	% Disbursed
INTERIOR	6	769,728	510,599	66%
FINANCE/TREASURY	5	179,650	101,011	56%
PLANNING	6	249,997	199,816	80%
RURAL DEVELOPMENT	6	253,553	190,384	75%
WOMEN'S AFFAIRS	7	338,064	233,134	69%
AGRICULTURE	6	126,313	102,951	82%
WATER RESOURCES	6	180,401	138,820	77%
SOCIAL AFFAIRS	5	67,253	47,013	70%
LAND MANAGEMENT	5	132,594	42,075	32%
ENVIRONMENT	2	40,000	30,448	76%
COUNCIL ADMIN REFORM	4	94,349	63,214	67%
NATIONAL AUDIT AUTHORITY	3	30,420	13,240	44%
<b>Total</b>	<b>61</b>	<b>2,462,322</b>	<b>1,672,705</b>	<b>68%</b>

## 12 Performance of Seila Investments

### 12.1 General

The purpose of this section of the report is to summarize findings of a large body of partial evaluations of Seila investment activities, by reference to log-frame indicators, in particular efficient and effective delivery, and improved accessibility, equity, affordability and sustainability of services. This section should not be understood as an "evaluation" of Seila investments but as an overview of the range of evaluatory work carried out and of some of the main conclusions from this work.

### 12.2 Efficiency and Effectiveness

#### 12.2.1 Quality of Seila Investment Outputs

No overall evaluation of investment quality has been carried out. However, there have been a number of partial evaluations of the quality of outputs investments in the main sectors of agriculture (about 20% of total investments) rural roads (35%), irrigation (15%) and rural water supplies (10%).

Biddulph (*Study of the Performance of the Seila Provincial Investment Fund, 2004*) commented that "given the huge demand for most services, and the absence of any single magic bullet to 'solve' poverty, the choices of one particular activity over another were not a cause for great concern." Biddulph examined a number of case studies of PIF investments and found that all had potential to alleviate poverty, though all suffered from varying degrees of deficiency in execution. Biddulph recommended that some simple economic parameters should be adopted as a criteria for appraisal of PIF project proposals.

The quality of investments in the agriculture sector funded by the IFAD loan projects ADESS and RPRP, and by extension, those funded by Canada ADMAC and PLG PIF using the same approach, have been continuously monitored by external and internal monitoring under the loan agreements and found to be satisfactory. The agriculture component of the RPRP loan followed the successful strategy of the ADESS loan, and then ADMAC project is intended to reproduce many of the elements of the two IFAD projects.

A number of evaluations of the quality of infrastructure outputs, chiefly those funded through the C/S Council budgets, have been carried out. The most comprehensive studies, based on random sample surveys, were a pair of studies funded by World Bank – RILGP in 2005, named the Process Audit and the Technical Audit respectively. The principal findings of these two studies related to quality of outputs were:

- Insofar as the project objectives could be determined from discussion with the stakeholders, 83% of project outputs were found to be appropriate to the project objectives;
- 89% of designs were appropriate or had only minor defects. However, the capacity of the TSU for making special designs (where no standard "template" design is provided for the specific situation) was very weak.
- 84% of projects achieved the project objectives. The least successful projects were well projects. This was for a number of reasons including technically unsuitable designs, construction of wells in the wet season leading to wells being terminated above the dry season water table; and process related reasons leading to location of some wells where only a few families would benefit;
- Irrigation projects were a high priority for the beneficiaries, but the quality of design and implementation was weak.
- 15% of outputs had dimensions different from the design.



- Construction work was often poor quality.
- Quantity of work actually carried out was sometimes less than in the contract. In the worst case identified, value was only 67% of the contract value.

Also in 2005, Aruna Technology carried out an engineering and socio-economic evaluation of C/S Fund irrigation outputs, with the study being funded by a World Bank Community Driven Development (CDD) grant. The main finding of this study was of a serious shortfall between potential and achievement in irrigation investments, related mainly to inadequate technical resources for project survey and design.

The Seila working group in the Ministry of Rural Development carried out three substantial studies of C/S Fund rural road and rural water supply outputs, besides a number of smaller studies and monitoring activities which generally supported the findings of the main studies.

In 2002, MRD together with KOSAN Engineering carried out a study of laterite roads that had been rehabilitated using the Seila Local Development Fund in 1997. The study found that most roads were still in passable condition but serious deterioration had taken place in most older roads, reflecting lack of adequate maintenance. Quality of materials used in constructing the roads was very variable and this had an impact on the performance of the road in use.

The following year MRD monitored a sample of laterite roads selected for rehabilitation with C/S Fund resources in 2003, carrying out studies including traffic counts and inspection of the physical condition of the roads before and after construction. This study found that construction quality was generally satisfactory but there were cases where the thickness of the laterite pavement was significantly less than in the design, resulting in reduced use life of the road before major maintenance works would be necessary.

Also in 2003 MRD carried out a study of wells constructed with commune-level funding (LDF from 1996 to 2001 and C/S Fund 2002-2003). Regarding physical quality this survey concluded that:

- Construction quality was satisfactory in most cases. However, quality and performance of the mixed wells are significantly worse than for the other types. Only 13% of wells were provided with protective fences.
- Seventy-eight percent (78%) of wells surveyed provide water year-round. Most wells that became dry recharged within one day, but recharge was often weak and the result was that there was not enough water to supply the needs of all users during the dry season.
- The practice of constructing wells during the wet season was considered responsible for many defects and in particular for ring wells being insufficiently deep to provide water year round.

### **12.2.2 Unit Costs of Seila Investment Outputs**

The Seila Programme investments resulted in delivery of a very large range of works, goods and services related to local social and economic development. Very few of these outputs were unique to the Seila Programme and the simplest measure of cost-effectiveness would be to compare the cost of delivering these outputs through Seila with the cost through alternative systems of delivery.

Unfortunately direct cost comparisons, for example between the outputs of different projects or programmes operating in the same sector, are rarely straightforward, are politically sensitive and are liable to be hotly contested by the proponents of the apparently more "expensive" system. For the Seila outputs, few direct cost comparisons of this type were made as part of the various evaluations of Seila investment performance. Nevertheless, there is good reason to be confident that in general the costs of outputs delivered through Seila were no more expensive

than, and in some cases may have been less costly than, comparable outputs of other projects. This confidence derives both from the cost control systems built into many of the Seila procedures for project design and implementation, and from the information available from such studies as were carried out during the lifetime of the programme.

Cost control was achieved through the use of standard unit costs for many items and through cross-comparison of costs between years and between provinces. For non-infrastructure projects the best example of this approach was the development of a costed menu of agriculture support activities with the assistance of the Australian CAAEP project. The standard costs developed were applied in PIF agriculture projects in all provinces as well as to the agriculture activities under the IFAD loans.

For the infrastructure projects implemented through the C/S Councils and funded principally by C/S Fund and CIDF, a standard system of cost estimation was used. This system was described in detail in the Project Implementation Manual (PIM) and was programmed into the Seila Templates software package. Unit costs of materials and labour were input from a standard list based on a market survey in each province, conducted annually by the Technical Support Unit. Following observations that there were some surprising anomalies between the prices of basic construction materials listed for different provinces, MoI-DoLA instituted a process of checking and validation of these provincial price lists from 2006.

The actual costs of C/S Council infrastructure projects were determined by competitive bidding following the process prescribed in the PIM. In most cases the tendering process succeeded in securing a discount as compared with the cost estimate, generally in the range of 5-10% but with discounts of 30-50% achieved in some cases. The large discounts were usually associated with earthworks contracts for which cost estimation is generally a more complex task than for small constructions using standard designs.

The Technical Audit of C/S Fund projects carried out by CADTIS Ltd. in 2005, examined the cost estimation system and found it to be rational and appropriate. CADTIS also examined the actual unit costs of some of the project outputs and found these to be reasonable.

The study of laterite roads constructed using C/S Fund, conducted by MRD in 2004, included a detailed analysis of the costs incurred by contractors in constructing these roads. These costs were then compared with the costs estimated by the TSU using standard methods, and the eventual contract costs. Average costs were similar in all three methods, but there were wide variations in costs between some individual contracts that could not be explained by analysis of the available data.

Less detailed information is available on unit costs of works under the PIF. However, in practice the cost estimation usually followed the same procedures as for C/S Fund, and in cases where any question was raised over cost estimations produced by line departments, the PIM procedure was usually used as a standard for comparison. Although inevitably there were some anomalies, the cost estimates, and the actual costs resulting from tendering, for PIF projects, did not appear to be out of line with the costs for C/S Fund projects.

### **12.2.3 Administration and Technical Assistance Costs**

As discussed elsewhere in this report, the harmonized systems management and project implementation systems used by the Seila Programme resulted in considerable savings in technical assistance and operations costs, through reduced transaction costs and avoidance of duplication of functions. The overall technical assistance component of the Seila Program was less than 15%, which compares well with percentages on some pure investment projects. However, TA in Seila was not programmed solely to support investments, but to support



capacity building for local governance and to support policy development and innovation of institutions and systems for sub-national development.

The direct costs of survey, design and construction supervision of the Seila infrastructure investments were remarkably small – for the C/S Fund projects the cost of the Technical Support Units amounted to only about 4% of the construction costs. Abrams (*An Economic Evaluation Of Decentralised Rural Infrastructure Investments In Cambodia, 2004*) estimated total technical and administrative costs, taking into account costs incurred by the C/S Councils, support from national level, costs of auditing by NAA and relevant components of PLG TA costs, as 12.6% of the construction costs. This is in line with expected levels for these cost components on a conventional engineering project and compares well with levels incurred in practice in many development-aid funded infrastructure projects.

As the value of the investment component of the C/S Fund increased, and additional investment resources were added at the Commune and District level, with a large proportion of the total investment being devoted to infrastructure projects for which survey, design and construction services were provided by TSU; the cost of TSU remained approximately constant and so the proportionate cost of technical inputs to the investments declined. By the end of the Seila Programme this situation showed signs of becoming unsustainable – the provision for technical costs for these investments was becoming too low to ensure adequate technical quality. This issue will need to be addressed in the future D&D programme, probably by adopting a different approach to funding of engineering inputs (and similar costs for non-infrastructure projects) with costs treated as a component of the investment and tailored to the size and complexity of individual projects.

#### 12.2.4 Cost-Benefit Analyses

A number of cost-benefit analyses, focusing on parts of the Seila investment portfolio, have been conducted during the lifetime of the programme. While all these analyses, and particularly those requiring estimates of the non-cash values of benefits of public goods, are subject to methodological difficulties, all analyses carried out have estimated positive net present values for Seila investments with a discount rate of 12%, the conventional test of an economically worthwhile investment.

The main cost-benefit analyses of Seila investments are detailed in the following table.

Table 62 Cost-Benefit Analyses of Seila Investments		
Analysis	Subject	Estimated EIRR <sup>1</sup>
John Tracey White / Intech Associates 2001	Socio-economic evaluation of LDF projects. Cited by most later studies in relation to C/S Fund investments	Average 27% for all infrastructure types
IFAD- Appraisal of RPRP (2003) Working Paper #8	Overall rate of return of RPRP, consolidating agriculture and community development components	19.1% overall for RPRP
Socio-Economic Evaluation of C/S Fund Laterite Roads MRD 2004	Evaluation of a sample of laterite road projects implemented under C/S Fund in 2003, using traffic counts and simplified conventional cost-benefit analysis methodology	33% (falling to 25% if annual routine maintenance is not carried out)
An Economic Evaluation Of Decentralised Rural Infrastructure Investments In Cambodia Abrams 2003 (MSc. research)	C/S Fund roads implemented in 2003; using a model of household travel based on household survey data	25% (6% with no annual maintenance)
	C/S Fund wells implemented in 2003; considering benefits in user time savings only; i.e. additional to health benefits	10% (-3% with no annual maintenance)
1. EIRR: Economic Internal Rate of Return. EIRR 12% is equivalent to zero net present value at 12% discount rate; this is conventionally taken to represent a minimally economic investment.		

### 12.3 *Transparency and Accountability in Implementation of Investments*

Cambodia suffers from weaknesses of transparency in the management of public funds and accountability of officials charged with financial management and related tasks. Consequently, both in order to maximize the efficiency of investments and to further the good governance objectives of the programme, these areas were the subject of constant monitoring and of efforts to strengthen performance. Nevertheless it must be acknowledged that successes achieved were only partial and much work remained to be done at the end of the programme. The requirements for this problem to be fully addressed included the implementation of a strong legal framework for anti-corruption measures, effective civil and criminal justice systems and a reformed civil service, all of which were beyond the scope of the Seila Programme and beyond the mandate of its governing authorities.

Almost all evaluations of Seila Programme investments mentioned corruption in procurement, implementation and / or financial management as areas of concern. The problem received particular attention in the context of the C/S Fund investments. The comment of Stallen (*Evaluation of the Effectiveness of TSU, 2004*) that all parties to C/S Fund contracts are involved in rent-seeking and that "Approval and signatures for pre-qualification, validating design, for releasing fund, for technical clearance, payment etc. are in essence tools through which influence can be exerted. There is ample indication of the misuse of these powers for personal gains," though based on verbal allegations and supposition rather than on quantitative evidence, is representative.

The most complete study focused directly on transparency and accountability issues was a Fiduciary Review of RILGP (together with three other World Bank loan projects in Cambodia), carried out in 2003, which examined the procurement and implementation procedures of C/S Fund. This report, which was not published in full, was very critical of a number of aspects, and found evidence interpreted as "indicators of collusion," (e.g. a narrow spread of bid prices, rejection of the lowest priced bid, and bids seemingly designed to fail) in the majority of cases examined. The study also found a high proportion of cases in which procurement procedures deviated from the guidelines in force at the time.

A number of specific instances of malpractice cited by the draft report of the Fiduciary Review team were investigated and refuted by the Seila Programme. Furthermore, the concern of the Fiduciary Review team that safeguards against "ghost projects" were inadequate, were allayed by the Technical Audit of 2004 which successfully located all of more than 600 specific outputs of a random sample of contracts. Nevertheless RGC accepted the general findings of the Fiduciary Review and took a number of actions in response, including strengthening of procurement procedures for the C/S Fund and the creation of the C/S Fund Accountability Working Groups.

As noted above, transparency issues were related to general weaknesses in the framework of governance in Cambodia and were not specific to the Seila Programme or the C/S Fund. This is illustrated by the findings of the survey of C/S Fund contractors (see Volume 3 of this report) in which contractors, selected randomly and reporting in confidence, consistently rated C/S Fund higher than contracting for NGOs, other public sector work or private sector work on a number of indicators relating to transparency, clarity of contractual arrangements, fairness of procurement procedures and levels of corruption.



## 12.4 Gender Equity in Implementation of Investments

The majority of Seila investments were either public goods targeted to beneficiary communities, or household livelihoods support through the agriculture programme. Few of these investments were specifically targeted to women beneficiaries, though women headed households were prioritised for inclusion in livelihood support and similar activities. The general approach was to ensure that the needs, views and priorities of women were taken into account by a gender-sensitive project planning and resource allocation process at the village, commune and provincial levels.

Evidence for how well these arrangements succeeded was inconclusive. Some commentators pointed to the tendency for specific women's priorities to be ignored in final decision making. On the other hand Helmers and Wallgren, (*Baseline Survey for Commune Council Investments, 2003*) found that there were only minor differences between infrastructure development priorities stated by women and men respondents in individual questionnaire survey, with road improvements being by far the most commonly cited preference for both genders. Aruna Technology (*Socio-Economic Evaluation of C/S Fund Irrigation Projects, 2005*) found that women's participation in scheme decision making and management was about 80% that of men, with women having a higher participation than men in operation and maintenance activities. The Programme Advisory Team (Review and Assessment of STFS and PLG support and the Seila / PLG Execution Systems) found that "The present C/S planning arrangements are not conducive to gender equity. The unfortunate reality is that as female representation on the elected C/S Councils has been left to the political parties, only a small fraction of elected commune councilors are women. It is extremely difficult for one single woman in a C/S Council to exert real influence on decisions. Further, in the PBCs, one man and one woman are to represent each village. Currently this is not the case as no women are appointed to the PBCs of many communes. At the DIWs it has frequently been reported that no woman was representing the commune level. The guidelines for the district integration process have now been revised and explicitly mention that the C/S Women and Child Focal Person shall attend the DIW, that is one woman from each commune."

## 12.5 Environmental Impacts

Most investments within the Seila framework were of low intensity (funds per geographical area) and aimed at either improvements in existing local government services or construction and rehabilitation of small scale infrastructure to improve social and economic conditions of the beneficiaries. None of these investments were likely to result in major changes in land use, significant population movements or release of significant levels of pollutants into the environment.

The greatest potential for negative environmental impacts related to the infrastructure investments. For this reason, considerable attention was devoted to developing procedures and building capacity to identify potential environmental impacts of the C/S Fund investments at the project preparation stage and to include environmental mitigation measures in design. Evaluations (e.g. *Process Audit of C/S Fund, 2005*) found that these measures were only partially successful as the understanding of "environmental impacts" tended to be very narrow and potential problems such as negative impacts on drainage patterns; dust problems from roads, and so on were not generally understood as falling within this category. For example, the Process Audit observed that Commune Chiefs and other stakeholders routinely report that environmental concerns had been addressed in project design and implementation. However, there was little clear evidence that this had happened in reality. Environmental mitigation plans were generally rather vague and limited to actions to be taken by the contractor to limit problems caused during the construction period. Nevertheless all evaluations (e.g. *Technical Audit of C/S Fund, 2005*) concluded that any actual environmental impacts occurring were small and highly localized in nature.



## 12.6 Sustainability

All evaluations found that there were serious grounds for concern over the sustainability of infrastructure investments due to weak operation and maintenance arrangements. Again, the most detailed studies of this issue related to the outputs of C/S Fund investments. The Technical Audit and Process Audit carried out in 2005 found that:

- Proposed operation and maintenance arrangements were suitable in 90% of cases.
- Maintenance work had been carried out on 27% of projects.
- Some provinces were much better than others in conforming to O&M guidelines.

However, such maintenance work as was carried out tended to be *ad hoc* rather than systematic. The study of laterite roads carried out by MRD in 2004 estimated that, comparing a regime of cyclical deterioration and rehabilitation of the roads, with a regime of optimal maintenance arrangements, about 42% of the net present value at the time of initial construction would be lost by failing to implement the optimal maintenance arrangements. The MRD study of wells carried out in the same year found that the formal maintenance arrangements, through user groups, were rarely effective and maintenance was carried out on an *ad hoc* basis and often funded by the household where the well was located, resulting in an issue of ownership and access rights to the well in the event of water scarcity.

One initiative within the Seila framework to address this issue was the use of local community based organisations (LCBO) as labour-based contractors for maintenance works. In Prey Veng and Svay Rieng provinces, under RPRP, twelve communes piloted the use of LCBOs to carry out maintenance works on recently constructed or rehabilitated roads.

Nevertheless, the core problem was not the means by which maintenance works were carried out, but the failure to allocate adequate resources to maintenance. Too often, the maintenance problem was discussed in terms of allocating responsibility to one agency or another, often at the village or community level, or building capacity of these agencies, without any corresponding allocation of resources to fund the maintenance works.

For certain types of infrastructure that generate revenues (irrigation, markets) or that provide clearly identifiable benefits to limited and clearly identified groups of beneficiaries (e.g. wells) it was reasonable to expect that maintenance would be funded by the users or beneficiaries, in the form of contributions or user fees offset against the benefits derived by each individual or household. For these types, the strategy of assigning ownership, management and maintenance responsibility to the appropriate group (e.g. a Farmer Water User Community) and assisting the group to build the necessary technical and financial management capacity to undertake the responsibility, was appropriate in principle, though often deficient in execution. Ideally, investments of this type would be promoted by the user groups who would prepare an operation and maintenance plan as part of a proposal for funding. The fund allocation to the project would then be essentially a capital grant, conditional on suitable criteria including sustainability being satisfied, and State agencies would have no direct long-term responsibility for management of the output. However, during this period there were few user groups or other grassroots civil society organisations operating in the Cambodian countryside, that had the capacity required to promote projects in this way, and the more usual pattern was that the user group would be formed only after construction was complete, if at all. There was very little clarity in law or regulations about the assignment of responsibility for management of infrastructure assets.

About two-thirds of CS Fund investments and about one-third of Seila investments overall were in improvements to the local road network. Roads are public goods with no clear and limited beneficiary group and no easily determined distribution of benefits. Maintenance costs are high compared with initial investment costs (up to 10% of the construction cost annually). Individuals and households have little incentive to contribute to road maintenance on a voluntary basis, knowing that many others will gain the equivalent benefit without paying.



Attempts to impose mandatory user charges encounter high transaction costs for collection and for enforcement / exclusion of non-paying users, and result in reduced efficiency (discouraging users reduces benefits, users expend efforts in attempts to avoid payment). In this situation, the "user group" model is not appropriate.

State agencies at the appropriate levels should be assigned a clear mandate to manage and maintain the local road networks. The responsible agencies should be assisted to develop the capacity to discharge this mandate in a systematic manner, based on target levels of service quality across the whole network and in a multi-year planning period. It is an essential feature of this strategy, that a single agency is responsible for both investment and maintenance funding: in the case of C/S Fund investments, the decision to invest would have a direct impact (positive or negative) on future year budgets of the C/S Council. It would no longer be possible to justify investments by the optimistic assumption that "someone else" will take care of the maintenance costs.

## *12.7 Geographical Equity and Poverty Targeting of Investments*

Investments within the Seila Programme framework could be broadly divided into investments in public goods, aimed at enabling economic growth and social improvement so as to alleviate poverty indirectly, and investments in private goods directly impacting on the livelihoods and living conditions of the poor.

Public goods are characterized by the impossibility or economic inefficiency of excluding some classes of users (e.g. non-paying, or alternatively, non-poor users) from benefiting from these goods, and / or by the fact that benefits gained by one user are do not reduce the benefit available to other users. An information campaign is an example of a pure public good with both these characteristics; however the most important Seila investments of this type were in infrastructure – roads, schools, water supplies and irrigation systems – which have mixed public and private goods characteristics, generally becoming more "private" as intensity of use increases. Rural roads are usually regarded as public goods; irrigation investments are at the "private" end of the scale although this may not be fully true in the case of simple water management and drainage improvements supporting rain-fed agriculture. Conversely, even the direct interventions to support agriculture activities of target households are expected to produce some "public good" benefits.

Provision of public goods is a natural economic role of government and it is neither feasible nor desirable to target investments in public goods exclusively at the poorest sections of the community. The non-relevance of direct poverty targeting forms part of the rationale for channeling investments in public goods through local governments in accordance with the subsidiarity principle: by their nature, public goods are resistant to "capture" by local elites who will inevitably tend to dominate the decision making process. However, the design of C/S Fund explicitly includes a fiscal balancing function; the intention being that areas with a larger proportion of non-poor residents should be able to raise a higher proportion of needed revenues for public investment locally. This was the reason for the inclusion of an area-based poverty ranking in the formula for allocation of the C/S Fund.

The most developed example of direct poverty targeting within the Seila framework was in the selection of participants for the agriculture support activities, principally within the IFAD loan projects ADESS, CBRD and RPRP, and the Canada-ADMAC project.

Biddulph (*Study on the Performance of the Seila Investment Fund, 2004*) examined the question of geographical equity in the allocation of the PIF funds in some detail. He concluded that introduction of a poverty element into the formula for allocation between provinces would be unlikely to have a significant practical impact. However, Biddulph criticized the lack of a

rational basis for selection of project locations within the province. When questioned about this, provincial department directors were able to cite the needs of the chosen location but not to explain why or how it was determined that this particular location's needs were greater than those of other possible locations. Biddulph recommended two innovations: first, that departments should be required to justify their project location selections by reference to a map showing levels of provision of the relevant service across the whole province; second, that among those locations lacking a minimal standard of provision of the particular service, the poorest location, identified from an accepted data set such as the WFP nutrition-based poverty mapping, should be prioritized.

Some clear-cut examples of elite capture of investments, particularly in C/S Fund, were documented. Most, though not all, of these cases involved the location of wells within the grounds of better-off households. In some cases this was done on the understanding that the householder would maintain the well for the benefit of all users. This simple arrangement worked well in many cases but was liable to break down under stress if for example the supply of water became scarce. In a smaller though substantial number of cases wells were located so that only an individual household was in a position to benefit, or other users were actively excluded.

The other investment type where the problem of elite capture was regularly cited was of irrigation projects. Despite a considerable amount of comment on this issue there is little hard evidence – the most thorough study of Seila irrigation investments, by Aruna, was inconclusive on this point. The study did not produce evidence of elite capture but did find that patterns of land-holding were perceived by focus groups as a constraint on the ability of the poorest to benefit. The study also found that patterns of land holding were becoming more unequal, due to forced sales of land by the poor and – according to focus group findings – due to fragmentation of land holdings as population increased. Nevertheless the study did produce evidence of poor households – not necessarily the *poorest* households – benefiting from successful irrigation investments. Furthermore, it is a misconception that the benefits of irrigation investments are captured exclusively by the land owner (see *Chambers, R, Potential for the Poor in Managing Canal Irrigation, Cambridge University Press, 1988*, for an examination of this topic). Paid employment is about equally important as own-farm agriculture in the livelihoods of Cambodia rural dwellers, and as the poor are usually land-poor they are more likely to depend on employment opportunities. Irrigated agriculture is a highly labour-intensive activity which and therefore irrigation inevitably generates employment opportunities. Arguably, investment in irrigation of the best land (least likely to be owned by the poor) might produce more net benefits for the poor than irrigation of marginal land owned by the poor themselves, although this is highly speculative and would make an interesting research topic in itself.



## SECTION D: SEILA CONTRIBUTION TO POLICY AND REGULATION FOR D&D REFORM

---

### 13 Modality of Seila Contribution To Policy and Regulations

#### 13.1 *The four stage process: conceptualization, experimentation, learning, policy*

The way by which Seila contributed to the development of policies and regulations evolved over time into a modality which consisted of four steps: conceptualization-experimentation-learning-policy. The *conceptualization stage* was characterized by debates over lessons from the field, complains or observations that triggered discussions over how to improve a process or to alter it completely. During this phase, STFS tended to conceptualize alternate ways to do things and these discussions were held with ministry agencies or sub national levels of government, depending on who were the stakeholders. These discussions usually took place at the Annual Workplan and Budget (AWPB) Workshop which was an annual national workshop aimed at announcing the following year's resources to initiate a planning and budgeting process at national and sub national levels of government. Part of the AWPB workshop was used to discuss critical issues and make recommendations to STFS. Usually, working groups discussed various issues and presented their conclusion to the plenary. The AWPB workshop was in effect a policy guidance meeting. In addition to this, some of the projects in Seila had institutionalized policy guidance meetings as a quarterly event.<sup>13</sup> All important decisions were made at these meetings, hence allowing for extensive participation by all government agencies involved in decision making.

The second step can be characterized as an *experimentation stage*. Here, new ways of doing things would be tested, followed by a process of internal or external review and analysis. Usually before an experimentation stage could be initiated, ministry guidelines were formulated to provide the legal basis for the experimentation. Experimentation would often follow one planning cycle, before it was reviewed.

The third step was the review or *learning step*. The learning was based on questions like "did we achieve what we intended to achieve", "was the approach the correct one", "what needs to be improved", "how can the experiment be expanded to cover more communes, districts or provinces". The government agency which was mandated with the task under experimentation would take the lead in the learning step, and discussions would aim at reaching consensus about what was to be learned and, following this, what needed to change and improve.

This learning was fed into the last stage, which can be called the *policy stage* characterized by the step where learning and experiences and decisions based on this would be translated into some sort of a regulatory framework, be it guidelines, parkas, sub decrees, or policies. This process was heavily facilitated by PLG advisors who assisted the relevant government agency in drafting the legal documents.

---

<sup>13</sup> Such as the IFAD supported ADESS, RPRP, and CBRP projects and the CIDA supported ADMAC project.

### 13.2 Research and dissemination

During the life of the Seila program, a total of USD 3.5 million was programmed for a wide range of studies and consultancies designed and facilitated by the STFS and PLG. Of this total, 40 % has been funded by PLG, 40% by WB/RILG, 10% by IFAD and 10% by Danida. In addition to this, numerous other studies and evaluations were directly commissioned by Seila donors. In particular, Sida and DfID commissioned a Permanent Advisory Team over the period 2002-2005 which through biannual visits provided carried out strategic evaluations of various aspects of Seila and PLG on behalf of the donors.

In early 2006, the PAT team commissioned a study to review all the consultant reports commissioned under the Seila program. The study was carried out by Robin Biddolph and reviewed 53 consultant reports.<sup>14</sup> The overriding themes covered by this huge amount of reports were related to how the expansion of the support to all communes and sangkats would be managed (2001-2002); whether efficiency and effectiveness had been maintained during the expansion of the Seila program (2002-2003); how Seila could support provincial reform (2003-2004) and how Seila resources best can contribute to the next phase of decentralisation and deconcentration reform (2004-2005).<sup>15</sup> Reports conducted in 2006 have had a character of improving the prevailing systems as part of the transitional arrangements from STF to NCDD. In particular, these studies related to improvement of the M&E system, and more specifically the management information systems; the commune development planning system; and ways to carry out formative evaluations to improve the ability to evaluate performance in addressing indicators.<sup>16</sup>

Biddolph did a comprehensive job in collecting all the Seila reports and studies and assessed the overall findings in these reports. Reference is made to this report for details. Below is a presentation of the topics that were addressed and the overall findings by Biddolph as assessed through these reports. The following themes were addressed during the Seila program:

- *Descriptions and explanations of Seila* were done in the context of Seila being seen to have succeeded in influencing the shape of commune governance following the passing of the LAMC and the successful commune elections in 2002.<sup>17</sup>
- *Human resource management* studies focused the extensive challenges faced by the Seila program and the remarkable level of success; the cascade training programs and related challenges; the role of the current advisory team as a capacity building or a management role.<sup>18</sup>
- *Process design issues* encompassed fundamental aspects of what Seila was doing in attempting to introduce a wholly new political and bureaucratic culture to Cambodian local governance. At times of significant change, Seila provided experience that was used to guide processes ahead. This was the case with the design of the commune development and investment planning process in 2002 and in 2006 in preparation for the first and second mandate of the commune councils respectively.<sup>19</sup> One study mentioned lack of awareness at village level as to who implemented what and what role they as villagers had in this process.<sup>20</sup> Another referred to the planning and investment process at commune level as

---

<sup>14</sup> See Biddolph, 2006a.

<sup>15</sup> Ibid.

<sup>16</sup> See Shields 2006a.

<sup>17</sup> See Rudengren and Ojendal 2002; Biddolph 2002; Spycerelle and Romeo 2003; Rudengren, Durant and Andresen 2005.

<sup>18</sup> See Lundgren and Griffin 2002; Van Zoggel 2002a; Van Zoggel 2002b; Landell-Mills & Rudengren 2004; Turner 2004; Landell-Mills, Rudengren & von Acker 2004; Stallen 2005; Rudengren, Andresen & Durant 2005.

<sup>19</sup> Romeo 2002; Rabe and Villadsen 2006.

<sup>20</sup> Helmers and Wallgren. 2003.



overly mechanistic and that there was an increased need for facilitation of commune councilors to ensure poverty related investments.<sup>21</sup>

- *Monitoring outputs:* Several impact studies have shown positive results of the investments at the commune level with regards to efficient and effective delivery of services.<sup>22</sup> Nevertheless, there are concerns that poorly constructed projects are being approved and hence that accountability at the local level needs to be improved.<sup>23</sup> While several reports are positive about the effectiveness and efficiency of the PIF,<sup>24</sup> there is a need to strengthen the project selection process.<sup>25</sup>
- *Impact Evaluation and Information Management:* Biddolph (2006a:22) emphasizes that it is difficult to assess the impact on the quality of governance on the level of poverty as “Development impacts are notoriously difficult to measure and evaluate, and there are always a multitude of factors to be considered meaning that cause and effects are always difficult to establish”. In an attempt to increase the poverty focus in the absence of detailed impact information, more targeted allocations to poor communes have been recommended.<sup>26</sup>
- *The role of the province.* The experiences from implementation of PIF are relevant to inform the legal framework for provincial reform, but this will await the enactment of the Organic Law.
- *Financial Management and Fiscal Decentralization.* Reports in this field address practical demands during the expansion of Seila,<sup>27</sup> then turn to addressing legal framework issues,<sup>28</sup> and furthermore financial management concerns.<sup>29</sup>
- *Natural resources and environmental management.* Seila has focused on mainstreaming NREM activities in the CDP process. Remaining challenges is the legal framework with regards to jurisdiction over land,<sup>30</sup> as well as the issue of functional reassignments within the broad sector.
- *Gender mainstreaming* has received much attention in the Seila program and has been reviewed positively.<sup>31</sup> Current efforts are related to training and capacity support to strengthen gender based monitoring.<sup>32</sup>
- *Strategies for urban governance.* Clear recommendations have been put forward as to the need to make a clearer distinction between urban and rural governance.<sup>33</sup> This is currently being addressed in the new CDP/CIP guidelines.<sup>34</sup>
- *Poverty reduction mechanisms.* In general, reports addressing poverty emphasizes that while the Seila program is effective and efficient in delivering outputs at the commune level, the broader institutional context does not give cause for optimism, and progress will be needed within the civil service reform and the public finance management reform.<sup>35</sup>
- *Donor coordination and cooperation.* While it is clear that the Seila program has been hugely effective and efficient in harmonizing support to D&D from a number of donors, a

<sup>21</sup> Rudengren *et al.* 2005.

<sup>22</sup> See Tracey-White 2001; Biddolph 2003; Abrams 2004; Stallen 2005; CADTIS Consultants 2005.

<sup>23</sup> Holloway 2004 (process audit)

<sup>24</sup> Tracey-White 2002; Ryan 2004.

<sup>25</sup> Biddolph 2004.

<sup>26</sup> Andersen 2004.

<sup>27</sup> Romeo 2001

<sup>28</sup> Romeo 2002; Smoke 2003.

<sup>29</sup> Landell-Mills and Rudengren 2004.

<sup>30</sup> Dummer 2005; Marschke 2004; Van Acker 2004.

<sup>31</sup> Brereton 2005.

<sup>32</sup> Richmond and Brereton 2006.

<sup>33</sup> Landell-Mills *et al.* 2004; Landell-Mills and Rudengren. 2004; Landell-Mills, Rudengren and Van Acker. 2004.

<sup>34</sup> Rabe and Villadsen 2006.

<sup>35</sup> Andersen 2004.

question remains as to the future financing of the support services, currently the PLG. This remains a critical issue as we speak, at the closing of the Seila program.

The Seila program has disseminated all information from commissioned studies through workshops arranged in the Seila Task Force Secretariat. These meetings were open for all interested parties but often were attended by STFS staff, PLG advisors and provincial officials as well as by the specific donors financing the studies. Where relevant, the recommendations taken from the studies or consultancies were fed back into training programs designed by DoLA with PLG technical support. Further to this, the information has been shared with provincial staff through PLG quarterly management meetings. All documents were made available in the library and during the later years also on the Seila web site.

Dissemination of experience has also taken place through a large scale training program and a study tour on D&D and natural resource management arranged by MOI in collaboration with STFS and GTZ. Here the aim was to share experience across the NRM sector with decision makers on challenges and issues in Cambodia and across the world, and then to visit the Philippines to learn about what functions that are handled by which government institution at what level. It is hoped that this will feed into the process of functional reassignments following the enactment of the Organic Law.

## 14 Seila potential influence on Administrative Reform

The Seila program engaged several consultants in 2003 and 2004 to address how the program could support provincial reform.<sup>36</sup> PIF and the financial arrangements associated with it was the focus of attention. It was clear from these reports that the experience from the Seila program would be important for the administrative reform at province level, but that this would depend on the enactment of a legal framework to regulate provincial and district administrations. This is forthcoming with the Organic Law.

Through the Excom arrangements and the PIF (see details further above), the Seila program offers extensive experience on unified administrative management of development funds. It also offers experience in horizontal accountability between line departments as implementing agencies and Excom as funding agency in the management of the PIF. In short, the Seila experience shows how discretionary funds can be channeled from the national level to the provincial administration, who in turn develops annual workplans and budgets. These AWPBs are developed based on the various needs as identified by the many different projects that are being implemented by the province, and it is also based on the response from the provincial administration to requests from the communes as identified in the DIW.

In 2006, a district initiative was piloted in one district in each province. The aim was to allocate funds for the district to enhance a district level planning and investment process in order to allow the districts to tackle some of the problems that could not be solved at the commune level. The districts based their decision making on the projects that were prioritized at the commune level and identified in the District Priority Activity Matrix (DPAM). The success of the pilot prompted the Ministry of Interior to request donor funds to roll out the district initiative to cover 138 of the 185 districts in 2007.

There is a wealth of experience in all provinces from the planning and management of the PIF, and in many district in the planning and management of the district initiative funds, which will need to be capitalized upon once the legal framework is in place.

---

<sup>36</sup> See Evans 2003; Smoke 2003; Biddolph 2004.



## 15 Seila potential influence on deconcentration of sector functions

Similarly as with the potential influence on administrative reform, the Seila program has gathered solid experience particularly within agriculture and to some extent within NRM.

The agriculture sector has gathered comprehensive experience in deconcentration of sector functions. A Project Support Unit in the Ministry of Agriculture, Forestry and Fisheries (MAFF-PSU) has implemented several IFAD loans and a grant from CIDA for agricultural development projects with programming of agricultural development funds by the provincial department of agriculture in several target provinces. Here, the provincial department of agriculture has programmed operational funds in support of agricultural development for small scale farmers and strengthening of the extension service at the district level.

The Seila program has allowed for the channeling of funds from MAFF PSU to Excom which ensures horizontal accountability, and then from Excom to the provincial departments which in turn makes detailed plans and implement the projects. The funds from MAFF PSU is delivered within the context of a Project Implementation Plan. This is quite a detailed plan with clear outputs. Nevertheless, it gives the provinces the opportunity to prepare annual workplan and budgets to fulfill an overall task.

In the future one could imagine that funds will be transferred from the national level to the provinces within the framework of an overall policy and strategy for the sector, rather than within the framework of a specific project. This overall framework would then become the basis on which detailed sector activities could be developed to reach overall development targets as identified in the CMDGs.

Both the IFAD and the CIDA projects have emphasized dialogue and communication across levels of government and horizontally in order to improve ownership to the decision making process. This has taken place through regular policy guidance meetings which provides an important experience on transparency in the decision making process, which will be important lessons for the agricultural sector in the future management of the government's own funds.

The vast experience over the past 6 years in the agricultural sector allows for MAFF to become a front runner in the future process of functional reassignments within the sectors. While reassignments of functions will depend on the enactment of the Organic Law, there are ample opportunities to build on solid experience in MAFF PSU in the design of these processes, and at the province and district level in the many provinces that have received IFAD or ADMAC funds over the past years.<sup>37</sup>

In the field of natural resources and environment, the Seila program has facilitated the building of experience in the management of such funds at the province, district and commune level in 10 provinces.<sup>38</sup> In order to facilitate discussions in central ministry agencies to pave the way for the future process of functional reassignments, the Seila program in collaboration with GTZ facilitated a training course and a study tour to the Philippines for high level officials within all NRM related ministries and some selected civil society organizations with the aim to enhance dialogue across ministries through a process of exposure to experiences in other countries on how they have assigned functions across levels of government. These experiences will be crucial to build further on following the enactment of the Organic Law.

<sup>37</sup> Battambang, Banteay Meanchey, Prey Veng, Svay Rieng, Pailin, Kampong Tom, Kampot.

<sup>38</sup> Siem Reap, Pursat, Kampong Speu, Kampong Cham, Kratie, Ratanakiri, Mondolkiri, Sihanoukville, Koh Kong, and Kep.

The overall intention is that the Seila program experiences will allow for a process of reassignment of functions according to a principle of subsidiarity where in short the national level is responsible for policy and the legal framework, the provincial level for overall provincial planning, horizontal accountability, and allocation of sector funds, where the district (and in some cases also the provinces) will delivery services, and where the communes would demand and purchase services.

## 16 Cross cutting issues: Policy, Strategy and Practice

The Seila program has been able to influence policies, strategies, and practice in many areas. It is clear, first of all, that the experience of CARERE II/Seila in implementation of the Local Development Fund was hugely important for the design of the Law on the Management of the Commune/Sangkat Councils (LAMC) and further to that, all regulations in terms of financial and project management draw direct experiences from implementation of the CSF. While Seila has operated with the strategy of Dialogue, Clarity, Agreement, and Respect and while it is clear that this approach has influenced the way funds are handled and decisions are made at the sub-national level, it is not immediately obvious whether this type of management will become the norm in the future. Also, while there are practical experiences in several areas, many of these are yet to be turned into policies.

### 16.1 *Gender mainstreaming*

The Seila Program provided a critical entry point for the Ministry of Women Affairs to support MOWA's approach to mainstream gender at the sub national level; provincial, district and commune levels. The Seila Program contributed to the development of the 2001-2005 Ministry of Women's Affairs Gender Mainstreaming Strategy. The goal of this strategy was to ensure that the government had sustained capacity to mainstream gender in poverty alleviation and governance and thereby promote equitable participation and empowerment of women in development. The three components to achieve the goal were; i) building commitment and capacity, ii) increased participation of women in local development planning and governance, and iii) enhanced capacity for gender monitoring and database management.

This strategy was reviewed in 2005 with the major conclusions that the government was committed to the promotion of gender equity and that the 2001-2005 strategy was on the right track and had significantly achieved its first and second components. However, its third component was seen to be needing more focus in the coming year.

The most important achievements of this strategy were:

- The implementation of gender mainstreaming strategy significantly contributed in building the commitment of the national subnational government agencies and institutions to pay more attention and response to women priorities which been raised in local planning process. Through several workshops, meetings and discussion with the key ministries and institutions the policies, guidelines and tools which enable and facilitate the discussion for better response to gender issues in local development planning process are in place and implemented by the local authorities. More specifically, this effort significantly impacted on systems and procedures at the commune council level. There were more gender and women needs have been raised and prioritized in the Commune/Sangkat plans. The top five commune council priorities across all sectors were: economic opportunity and agricultural support, reproductive health, HIV/AIDS, literacy, vocational skills training, and violence against women. Most important of all, some priorities are being funded by provincial line departments, donors, and NGOs.



- Another important contribution of gender mainstreaming strategy was the increasing participation of women in decision making processes, particularly in local development planning and governance. The policies, guidelines and procedures to promote women in decision making process, particularly in the commune councils and village levels have been developed and issued.
- Guidelines and tools for advocacy to mobilize resources and supports from the sub national government such PRDC/ExCom, line departments, districts and commune councils as well as with NGOs had been developed and utilized by the provincial department, district offices of women affairs, and women and children focal points in commune level to increase more action support to address to women priorities in local plans.
- The other significant effort was the establishment of the institutional structures and processes such as gender networks within government and non government institutions, gender focal points in line departments, and women and children focal points in the commune councils with the roles and responsibilities to engendering their projects and programs for more responsive to women and gender needs and priorities. The necessary knowledge and skills had been delivered to these mechanisms to enable them to better perform their roles and responsibilities. Forums and platforms have been organized for female councilors and women and children focal points to form the strong network and to learn the best practices from each others. These forums were initially started in six provinces supported by UNICEF/Seth Koma and progressively expanded to all 24 provinces.
- It significantly contributed to build the capacity and awareness of the provincial departments, district authorities and commune councils to mainstreaming gender and women issues in local development plans.
- The other major contribution within gender mainstreaming has been capacity building in gender mainstreaming particularly within the agricultural sector and the sharing of experience across provinces and between projects.

While these experiences of successful gender mainstreaming has ensured systems, policies and procedures to provide space for a gender perspective, MOWA has emphasized it wants to ensure that the provincial department of women's affairs now turn policy into action and use this space to advocate decision makers to respond to women's priorities. Hence, a training program has been developed to strengthen the capacity of the provincial departments and later on Women and Children Focal Points to monitor the process of women's participation and expressed priorities in sub-national processes such as the CDP/CIP, and to strengthen the skills, confidence and capacity to advocate for action and budget allocations across the sectors to reflect these priorities as well as skills and capacity to monitor the government response to women's and gender priorities raised in the local planning process.

Several activities within the Seila program have contributed to gender mainstreaming, specifically through activities in the UNICEF supported Seth Koma project

### 16.1 Poverty Reduction

The National Strategic Development Plan (NSDP) 2006-2010 underlines the importance of the Seila program in the implementation of the RGC's decentralization policy, and that this has contributed to *"(...) several major achievements (...) such as strengthening of democratic*

*governance, contribution to poverty reduction and capacity building at the local levels*" (NSDP 2006:14).

Over the years, the Seila program has programmed funds for a total of 10 different donors to sub-national administrations and local governments, and between 30.000 to 36.000 projects were presented annually by the commune councils to the District Integration Workshop and 33.25% of these were funded by provincial line departments, NGOs and private donors, as well as over the communes own CSF.

At the closure of the Seila program in 2006, the following table indicates the target population for current investments:

Name of project	No of people targeted	What	Where	Disbursement per unit
RGC CSF	Whole population	Discretionary fund	All 1,621 communes	USD12,340 pr c/s
PSDD CSF	Whole population	Discretionary fund	All 1,621 communes	USD 308 per c/s
DIF		Discretionary fund	14 of 185 districts	USD 25,000 per d/k
PIF			All provinces	USD 100,000 per p/m
Danida CCB-NREM		Targeting NREM and livelihoods production issues	303 communes in 10 provinces: SHV, SRP, KRT, RAT, MKR, KKG, KEP, KSP, KPC, PUR	USD 3,000 per cc.
		Targeting NREM and livelihoods production issues	10 districts in 10 provinces	USD 20,000 per district
World Bank RILGP	8,442,456	Infrastructure investments	All eligible communes in 14 provinces: BMC, BAT, KPC, KCH, KSP, KRT, PVG, OMC, PLN, PVH, PUR, SVR, TAK	At average USD 428,000 per province
CIDA ADMAC	7,220	Agricultural extension in mine affected areas	6 districts in BMC, BAT, PLN	Average 266,000 per province
UNICEF Seth Koma	2,400,000	Local Governance for Child Rights	318 communes and 36 districts in PVG, SVR, KPT, STR, OMC, KPS	Average USD 350,000 per province
IFAD RPRP	610,000	Agricultural development, gender mainstreaming, rural infrastructure	PVG and SVR	Average USD 1.9 million per province
IFAD CBRD	198,000 <sup>39</sup>	Community development, land	KPT, KMP	Average USD 1 million per province

<sup>39</sup> 5.06 persons per household.



		registration, agriculture and livestock development, gender mainstreaming, rural infrastructure		
--	--	---	--	--

Both the CSF and the PIF which are discretionary funds has addressed the entire population. In addition to this, the figure above shows that around 11,6 million people were targeted with different types of earmarked funding.

Poverty reduction can not easily be measured as a result of specific project intervention, as whether people moves out of poverty or remain trapped in poverty depends on many aspects beyond the control of a project. In 2006, however, STFS with support from IFAD conducted a Baseline and a Result Impact Monitoring Survey (RIMS) of the RRPR project in order to collect data based on which impact on poverty is supposed to be analysed after some years. The problem with such types of studies, however, is that they are not able to capture externalities which are likely to impact on people's livelihood.

Due to this problem, it has earlier not been seen as essential to carry out studies that isolate certain variables from a set of important variables, but rather that the program contributes, among many other initiatives, to poverty reduction and that this total effect is measures as part of the cyclical socio-economic surveys managed by the National Institute of Statistics.

## 16.2 Natural resource management

The Seila program has played a key role in the mainstreaming of natural resource management in the D&D process, with a focus on integration of NRM issues in the commune development planning and investment process. A policy for mainstreaming of NRM has not been possible to develop as no institution is responsible for the field of NRM as a whole.

In terms of concrete activities to address NRM mainstreaming, Danida channeled funds that were earmarked for the broad category of NRM and livelihoods production improvement through the Seila program to commune accounts at the provincial treasury. The funds followed the exact same regulations as the CSF. Facilitation in the planning and investment process was brought under Excom in 2006 to mainstream these activities with the general commune planning and investment process following a directive from MOI.<sup>40</sup>

The major achievements of the NREM mainstreaming activities is that NRM issues are now firmly within the commune development plan and investment process, and that over 300 communes in 10 provinces have experience with earmarked NRM funds of an average of USD3,700 annually, and are starting to figure out how to engage civil society in the delivery of services at the local level. This engagement has enhanced social capital, but information about available services and often knowledge about how to address a problem, remains a challenge. Tools for mainstreaming purposes were developed such as commune land use maps and Problem-Cause-Solution analyses and maps. Integration of commune land use planning as part of the commune planning process is ongoing, together with review of the commune development and investment planning process in order to enhance accountability by commune councillors to their electorate and further improve local people's access to decision making on priorities that address their needs.

<sup>40</sup> *Sikke-dey chuun domnueng* (directive for your information) on Appointment of NREM and Seth Koma facilitators" 28 January 2006. MOI.

Access to land and securing of land tenure rights have been achieved in isolated incidences and CCB-NREM has been very engaged in the process to influence the legal framework for land tenure, but further progress is needed on the part of the government in order for the intended output to be achieved. This will be further addressed in the successor programme to CCB-NREM.

The process to establish a functional way of assessing outcome and impact has been through various attempts. First, attempts were made to assess impact and outcome as part of the general management information system. This was not possible due to the low level of analytical capacity of provincial facilitators in terms of assessing these aspects. Case studies were then selected as a way to bring forward some information about impact. While many of the case studies focused more on process than outcome and impact, some selected case studies show how small scale projects can contribute to poverty reduction. An important lesson learned in terms of evaluating outcome and impact is that this needs to be done as a research based monitoring approach.

The program contributed to the development and improvement of legal aspects regarding land use planning, participatory land use planning guideline as well as developing a proposed guideline on the integration of land use aspect (CLUP) into CDP/CIP.

At national level through the Natural Resource and Environment Management Advisory Group (NREAG) and the Seila Ministry Focal Point, implementation direction and advice regarding mechanism for policy and strategy dialogue was conducted. At provincial level PRDC/Excom managed the implementation through promoting coordination between development agencies, approving and executing provincial development plan, annual work plan and budget and monitoring and reporting on development achievement.

Also, CCB-NREM provided 40% of the funds for the district initiative pilot in 2006. Through this initiative, cross-sectoral and inter-communal issues were initiated, and the successful experiences has led to government agreement to expand from the current 24 district (of which CCB-NREM covered 10) to 133 district in 2007 (of which the CCB-NREM successor program NRML will cover 66).

At village/commune level, commune land use planning was also supported by the program to ensure that cross-sectoral issues/conflict were brought up for discussion in a participatory manner and that agreed solutions could be implemented.

The program also created a platform whereby villagers could articulate and address their problems and needs. At provincial level, provincial forum/networks were established for the integration of NREM into sector investment and where line departments, NGOs/IOs could share and discuss issues encountering in an open way.

Methodology for certification was tested and reviewed, and a reward-focused certification process was implemented in 2006 to further motivate progressive communes and well-performing facilitators. The program developed a certification tool using good governance indicators, people participation indicators and gender impact to examine the effort of the Commune/Sangkat Councils (C/SC) to mainstream NREM and gender in the Commune Investment Planning (CIP) process. This was to determine the eligibility of the C/SC for additional C/S fund (rewarding system) and to recommend for further NREM related capacity building. The certification tool will be evaluated after the 3rd piloted year (2006) to assess the appropriateness and effectiveness for further recommendations on a wider use of the certification procedures for all types of investment funds.



Further, support was given for the improvement of the Seila Management Information system and the development of service delivery book to help communes to identify service providers who can support the communes in project activity implementation.

### **16.3 Transparency and Accountability**

#### **Transparency in recruitment and appraisals**

The Seila program has put a lot of emphasis on the development of transparent and accountable systems in the management of the Seila program, and became to a large extent a role model for how government funds could be managed. Recruiting, appraisal and performance assessment processes for staff and advisors involved in Seila followed clear and transparent guidelines, and staff was subject to regular appraisals.

#### **Transparency in dialogue**

The Seila program proceeded to develop a culture of an unprecedented level of dialogue both horizontally and vertically within government institutions that are financed and supported by Seila and PLG. A high volume of meetings and workshops were organized around systems performance; design issues; work planning and dissemination of program policy and regulations; internal reviews and reflections workshop at all levels; technical audits and investigations; field testing of training materials and review of pilot programs; and the annual national workshop organized around program work planning and budgeting attended by donors. All these workshops were conducted in Khmer and led by government officials while PLG advisors most often were called upon to design the content and draft presentations.

#### **Budget transparency**

The entire annual Seila and PLG budgets were incorporated into annual work plans and budgets that are widely disseminated in Khmer and English and incorporated into provincial newsletters distributed to every department, district, CS Council and development agencies in the individual provinces. The Seila annual budget including allocations to 10 Ministries, 24 provinces, 160 provincial departments and 1,621 communes has been the most transparent national budget in Cambodia.

#### **Fiduciary Risks and Accountability**

With funds transferred to virtually every administrative unit of government, the Seila program and the PLG project is more susceptible to risks than all other donor funded projects. Reviews of the nearly continuous auditing and supervision that took place every year under the program consistently confirmed that the program and the systems were essentially accountable and transparent while noting areas needing improvement. Notably, of all the World Bank projects focused on rural investment in the country, the RILG Project under Seila was the only one that was pronounced satisfactory while many others were suspended in 2006.

**Accountability Working Groups** (see chapter 5)

## SECTION E: PROGRAMME AND PROJECT

---

### 17 Partnership for Local Governance

#### 17.1 General

The Partnership for Local Governance Project was explicitly designed by the Royal Government of Cambodia and its donor partners to provide the core support to the Seila Program. While PLG provided only about 32,7% of the total funding of the Seila Program, it is true to say that without PLG there could not have been a "Seila Program" in the form in which it existed.

PLG had a number of unusual design features which were at times the cause of misunderstandings and of active criticism both from within Government and from within the donor community. These features included the roles of UN agencies and staff contracted to UN agencies as technical advisers and also the use of PLG TA and operations costs budgets to support other projects operating within the Seila framework without any direct cost-sharing by the non-PLG donor partners.

There was considerable irony in the circumstance that PLG implementation arrangements were criticized for limiting government ownership or for excessive TA costs, when, as will be shown below, the truth was that in Cambodia during this period few grant-aided projects proceeded so far or so fast to transfer real executing responsibility from donor agencies to government, and few major projects of any kind so rapidly transferred advisory responsibilities from expatriate to local experts, or achieved a lower overall ratio of technical assistance to investment costs.

The purpose of this section is to explain and place in context the structure and implementation arrangements of PLG and its role within the broader Seila framework. This chapter is written in the explicit belief that PLG was a highly successful project and that the design features that attracted criticism were crucial to achieving that success. It is not argued that future donor support to D&D reforms in Cambodia should necessarily replicate all, or any, of these features, but rather, that it is necessary to understand the design of PLG and how the design features contributed to the project success, in order to ensure that appropriate arrangements for replicating and building upon this success are incorporated into future support arrangements.

#### 17.2 Background of the PLG project

The PLG project was not designed "from a blank sheet of paper" but was very much a product of the experience of UNDP and donor support to local investments and to the early phase of the Seila Programme, through the vehicle of the "CARERE" projects from 1991 to 2000. The first phase of CARERE operated in direct implementation modality, with an increasing degree of cooperation particularly with Provincial level state agencies, and of experimentation with participation through semi-formal village development committees, by the end of the project in 1995. The second phase of CARERE was designed with Government as support to the Seila Programme, conceived initially as an experiment in deconcentration and decentralisation initiatives ahead of institutional reforms. However, the evolution of Seila as a fully government owned, managed and executed programme with an existence independent of the support project, was a gradual process taking place between 1996 and 2000. At the start of that period sub-national investment funds were transferred to Provincial line agencies through imprest accounts managed by international programme managers against contracts approved by UNOPS regional office; by the end all contract approval and financial management at Provincial level was under authority of the Provincial Governor as chair of P/M RDC ExCom. Over the same period the number of international staff posted in the provinces declined from about 35 to about 10, with the Provincial Programme Manager positions being filled by



Cambodian nationals. Already, by the inception of PLG, government had a greater role in the management of donor funds through Seila than was the case with many projects formally considered to be under "National Execution."

At the start of the PLG project, responsibilities of UNOPS as "cooperating agency" at the provincial level had been reduced to employment of advisors and some ancillary support budget lines. By the end of 2001 STFS was fully functional and able to take over residual UNOPS executing responsibilities at national level. For the remainder of the project, the only operational budget line directly administered by donor agencies (UNOPS from 2002 to 2005, and UNDP in 2006) was the employment of technical advisers.

Two of the donor partners in PLG, UNDP and Swedish SIDA, had been involved with CARERE from the inception of the project. The third donor, UK-DfID, had also played a major role in the later stages of CARERE-II. However, formulation of PLG also involved discussions with a wider group of donors who were stakeholders in the Seila implementation structures, most importantly IFAD and World Bank. Design of the PLG project took place as an integral part of the broader design process of the second phase of the Seila Programme.

### *17.3 Roles and Responsibilities within PLG.*

The essential institutional arrangements of the PLG project were that:

1. Three donors, UNDP, Swedish SIDA and UK-DfID, contributed to a trust fund for the project, managed by UNDP;
2. Seila Task Force was designated as Implementing Agency, with the Secretary General acting as Project Director of PLG;
3. All operational budget lines except technical assistance were transferred to Seila Task Force through an account managed by the Secretary General;
4. Funds were then disbursed and reported on by STF following the Seila systems described in earlier chapters of this report;
5. From 2002 onwards, no support staff (with the exception of one personnel assistant), premises, vehicles or equipment were managed by UNDP or UNOPS;
6. From 2002 onwards, the sole responsibility of UNOPS (and sole operational responsibility of UNDP in 2006) was to contract long-term and short-term advisory staff. Long term international advisors were contracted with UN staff status while short-term and national staff had status of contractors to UN;
7. Advisory staff had no formal authority as certifying or approving officers over the funds managed by STF;
8. STF reported to UNDP on use of the transferred resources. UNDP received a service fee in respect of management and supervision services;
9. Representatives of the three donors met with STF and advisors periodically to review progress and resolve issues.

The PLG project was explicitly conceived as supporting the core costs of the Seila Programme, including the bulk of operations costs and TA, and support to discretionary investment funds, thus allowing other donors to fund predominantly investment costs. The advantages of this type of arrangement included avoidance of sensitivities around using loan funds to support technical assistance; reduced transaction costs and the achievement of a greater degree of harmonization than would have been possible through conventional cost-sharing agreements. Nevertheless there were critics who perceived that the non-PLG donors were receiving a "free ride" at PLG donors' expense. It seems fair to observe that this view spoke more loudly about the politics of development assistance than about the efficiency of the PLG / Seila delivery system from the point of view of the intended beneficiaries.

## *17.4 Employment Status and Management Accountability of PLG Advisory Team*

All PLG-funded technical assistance with the exception of a small number of local consultancies contracted directly by STFS, was recruited, managed and paid directly by UNOPS (UNDP in 2006). International staff were recruited through standard UN recruitment procedures. National staff were recruited through local advertisement and selection conducted by senior PLG international and national advisers. Although all terms of reference stated that advisers were under supervision of the STF Secretary General, local staff contracts were signed by the Senior Programme Adviser. The primary reporting line for PLG advisers was to senior advisers, although advisers at all levels also reported to their government counterparts.

These arrangements were criticized for limiting the "ownership" of the Seila Programme by the Government. This criticism was made so often that it requires a rebuttal, even though it was rare that any critic proceeded to then explain how the efficiency or effectiveness of Seila implementation might be improved by an alternative arrangement. It is the view of the authors of this report that this criticism misconstrues the meaning of government ownership of aid programmes and misunderstands the fundamental requirements for a successful partnership between government and donors for poverty alleviation.

No aid programme supporting investments in core public goods and services; still less one aiming at governance reforms, can be successful without full ownership and commitment of the host government. However, this does not imply full identity of interests between host government and donors. It is here assumed that the donor interest is limited to achievement of poverty alleviation goals. Government, whether conceived of as the collective embodiment of the State or as the individual members of the political elite who participate in governance, has many entirely legitimate interests other than, and potentially conflicting with, poverty alleviation. Furthermore, the relatively weak governance arrangements existing in Cambodia were part of the rationale for the Seila Programme and PLG and this weakness was frequently expressed in actions, both by the State collectively and by individuals acting with the implicit authority of the State, that were far from conducive to poverty alleviation. So much could be confirmed by a glance at the daily newspapers in Phnom Penh and it would not have been appropriate for donors to manage the funds they were responsible for as though these facts could somehow be ignored.

Furthermore, overseas development assistance fund flows are in the nature of an economic rent (i.e. provide an income stream that is not "earned" by inputs of equal economic value) and, if not adequately governed and regulated, create a perverse incentive to divert efforts away from constructive activities and into attempts to capture control of the income stream. This danger is increasingly recognised in relation to rents accruing from natural resource exploitation; it is potentially equally true of aid flows. Therefore, the risk of misuse of aid funds is not limited merely to loss of efficiency or "leakage" of some part of the fund; mismanaged development aid has the potential to inflict actual damage on the system of governance of the host country and on the broader economy.

Therefore, design of development assistance should proceed by identifying areas of common interest between donors and government – i.e. to identify government programmes or programme components that are aligned with the poverty alleviation objectives of the donors; and then to design implementation arrangements that assign full ownership and management responsibilities to government while incorporating adequate assurance for donors that the aid is used for the agreed purposes and in an efficient and effective manner.

There are many possible solutions to this design problem, but the one adopted – more, it should be said, by accident than by design – by the PLG project proved a considerable success and deserves study for the lessons that can be learned. This solution was to create a technical



advisory team acting under authority of government but with a high degree of operational independence, and combining four types of function – capacity building, outreach and partnership building, monitoring for integrity of use of donor funds, and programme monitoring and evaluation – often within the terms of reference of the individual adviser.

In effect, the position of the PLG advisory team occupied the “technical advisor” corner of the client / contractor / advisor triangle by which contract administration arrangements within Seila were conceptualised (see Section 5.4.1 above). The independence of the advisory team and the access of senior advisors through the advisory team management line, to direct, independent information on the details of programme implementation, was an important factor in encouraging confidence in donor agencies to commit funds through the Seila framework, one marked result being the mobilisation of almost 100% more funds than were foreseen at the programme inception.

The independence of action of the PLG advisory team on both an individual and collective level was secured by the status of advisors as employees of the United Nations. In part, this reflected the recent history of Cambodia and the role played by the UN in that history. PLG advisors included both individuals with a background as civil servants (many, in fact, continued to maintain a position in the civil service lists while employed as PLG advisors), and individuals with a background in the private sector or civil society organisations (and for many of the same individuals, a personal history including a period as external refugees) who by tradition and instinct might have tended to regard government and its officials with considerable suspicion. Both groups were encouraged by their status as UN staff to develop a constructive, professional relationship with government, and a collective team spirit which overcame any potential problems arising from these differences in background. Furthermore, the UN status was perceived as important to the advisors in permitting them freedom to act in a professionally responsible manner without jeopardising their employment, and in extreme circumstances, potentially enhancing their physical security.

The independent status of the advisory team undoubtedly made PLG jobs more attractive to Cambodia professionals with marketable skills, than would otherwise have been the case. Furthermore, ability to act based on professional judgment enhanced the performance of advisors even at the technical level. The strong team spirit reinforced the commitment of staff who were working often in difficult physical circumstances and remote from their families, and enabled PLG to retain the services of talented individuals and to build an collective institutional memory that was vital to the overall success of the project.

The PAT team (*Review and assessment of STFS and PLG support and the Seila/PLG execution systems, 2005*) recommended the assignment of advisory functions and the “watch-dog” role, i.e. monitoring for integrity of use of funds on behalf of donors and / or programme management, to separate individuals, potentially with different contractual status and lines of accountability. This suggestion should not be dismissed as a possible future model and if implemented successfully, would greatly reduce the strength of the case for the advisors to operate as part of a semi-independent team. However, there would have been severe difficulties in making such an arrangement work in practice. It was the relationship of confidence between PLG advisers and counterparts, based to a large extent on appreciation of the value of advisory services, that permitted the advisers physical access to financial, procurement and implementation data and created a culture in which issues relating to integrity could be raised and discussed. A pure “watch-dog” would not have enjoyed these advantages. Furthermore, the nature of the job, particularly in an isolated location, might have proved extremely unattractive to potential candidates.

## 17.5 Analysis of PLG Advisory Services

### 17.5.1 General

While the following analysis is based on the last six years of the Seila Program and PLG Project, it should not be forgotten that during the first phase of Seila, 1996-2000, the CARERE Project employed a large number of international advisors at sub-national level. From a peak of 35 international staff based at province level in 1996, supporting the early design of the decentralized experiment and a wide variety of sectoral work in infrastructure, education, health and water/sanitation, by 1999 this had been reduced to approximately 10 international staff. In early 2000, it was decided that all international advisors including the provincial coordinator, would be withdrawn from the province level by the end of the year and replaced by Cambodian nationals. At a time when a large number of projects still employ international staff at provincial level, often with far less responsibility than current PLG advisors, this point should not be forgotten as background to the period 2001-2006.

### 17.5.2 Expansion of Coverage

The Seila Program, and the PLG support project, were designed in 2001 to gradually expand coverage over five years to 1,216 communes in 17 provinces. As reflected in the table below, the five year targets were in fact exceeded in the third year of the program and project. This was carried out at the specific request of the Deputy Prime Minister at the 2002 National Workshop to formulate the 2003 Seila AWPB and was subsequently discussed and approved by the PLG donors.

Expanding from 12 to 24 provinces and 318 to 1,621 communes over a two year period while at the same supporting the design of both the decentralized regulatory framework and the national training programs to implement the regulations represented an enormous challenge to the PLG technical advisors at both national and sub-national level. Concern was then expressed by the PLG donors that a too rapid expansion would result in a deterioration of quality. Nearly an entire PAT Mission was devoted specifically to this issue and the conclusion reached was that the expansion had succeeded and capacity rapidly put in place in the new provinces to an acceptable level.

Table 63 Seila/PLG Expansion of Coverage: 2001-2005

Year	Provinces			Communes		
	Planned	Actual	%	Planned	Actual	%
2001	12	12	100%	306	318	96%
2002	12	17	71%	473	509	93%
2003	17	24	71%	737	1621	45%
2004	17	24	71%	979	1621	60%
2005	17	24	71%	1216	1621	75%

In reviewing the information below on sub-national technical assistance trends, the rapid expansion to full national coverage over a two year period underlies all of the analysis.



### 17.5.3 Support to Provincial Management, Local Governance and Coordination

Since 1999, all of the budgets transferred to the sub-national level were under the direct management of the provincial authorities. As chairman of both the PRDC and the ExCom, the Governor served as approving officer for all work plans and budgets, contracts, payments and reports. The Governor chaired all important coordination meetings of the PRDC and the ExCom as well as ad hoc meetings with provincial departments and development partners on governance and development issues. The Governor was assisted by a Deputy Governor and the ExCom Permanent Member who ran day to day affairs of the ExCom.

PLG technical support to provincial management, local governance and coordination, including harmonization and partnerships, was provided by a Senior Provincial Program Advisor (SPPA) in each province. As the table below reflects, in the early years several provinces had a Deputy PPA who both assisted with overall management and was assigned a portfolio of responsibilities related to specific partnerships, specific departments or M&E and reporting. During the peak of the expansion in 2003, in seven provinces which had relatively low numbers of communes and annual budgets a Provincial Management Advisor was assigned at a lower level of remuneration. These arrangements were slowly phased out over time and as of 2006 there was one SPPA in each province who both supported provincial management and local governance as well as coordinating the work of an average of 4.5 other advisors primarily assigned to the four units of the ExCom.

**Workload Indicators:** The table reflects two workload indicators related to the number of provincial partnerships and the level of the sub-national budget. While there were numerous informal partnerships in each province with NGOs, provincial partnerships in this case reflect the number of provincial agreements with donor projects that operated within the overall management framework at sub-national level. As the provincial AWPBs reflected these partnerships and the harmonized PLG technical support assisted the province with overall management and coordination of the AWPB, the indicator is valid.

As can be seen in the table, whereas in 2001 there was an average of 2.6 partnerships per province involving a total of \$ 670,000, in 2007 the proposed PSD4 technical support involved an average of 5 partnerships with an average provincial value of \$US 2 million; a threefold increase. This of course varies between provinces with a high in Prey Veng in 2007 of 7 partnerships and a \$US 4.8 .million budget and a low in Kep with 3 partnerships and a \$US 290,000 budget.

CATEGORY	2001	2002	2003	2004	2005	2006
Commune	318	509	1100	1621	1621	1621
District	0	0	0	0	0	24
Province	12	17	24	24	24	24
Total Budget	11,445,369	18,296,911	25,620,044	33,215,488	31,424,749	37,682,098
Prov Partnerships	45	45	79	93	103	112
Staff	147	172	159	165	158	137
SPPA	10	15	17	24	24	24
DPPA	7	7	4	5	4	0
PMA			7			
TOTAL	17	22	28	29	28	24
Bud/Staff	673,257	831,678	915,002	1,145,362	1,122,312	1,570,087
Partners/Staff	2.6	2	2.8	3.2	3.7	4.7

#### 17.5.4 Support to Local Capacity Building, Local Administration and the District Initiative

With technical support from PLG advisors at national level, the Local Administration Unit was officially established in 2004 as a fifth unit of the Provincial Office and operated within the coordination structure of the ExCom. In 2001, prior to the passing of the Law on Management and Administration of the Commune, support to the Commune Development Committees that had been established under the Seila experiment was carried out by the ExCom Local Capacity Building Unit (LCBU) under the Provincial Department of Rural Development. As such, during the same period of the rapid expansion in commune coverage, the delivery of training to the new CS Councils on the decentralized regulations and processes and the first two years of CS Fund implementation, PLG technical assistance supported the transition and establishment of the Local Administration Unit under the line authority of the Ministry of Interior's Department of Local Administration. Whereas in 2002, there were approximately 40 provincial civil servants under the Ministry of Interior in 24 provinces serving under the Provincial Office of Local Administration (PoLA) and alongside the LCBU, by 2006 there were 940 civil servants serving under the 24 LAUs of whom 360 or 40% were Ministry of Interior employees and 580 seconded from other departments.

In 2001, PLG technical assistance to the LCBU consisted of 1-3 Local Capacity Building Advisors (LCBA) per province. Following the establishment of the LAU under the Ministry of Interior, the title of the post was changed to Local Administration Advisor (LAA). The LAA's were tasked to support the LAU with their comprehensive responsibilities which were outlined in the sub-decree establishing the LAU in 2004. This included the provision of training to CS Councils and other sub-provincial officials on the law and regulations; facilitating the annual CS program cycle; supporting the mainstreaming of gender, NREM and social development issues at local level; coordination with an increasing number of donor and NGO partners; monitoring and reporting; legality control; civil registration; and as of 2006 support to the District Initiative.

**Workload Indicators:** The workload indicators reflected in the table below relate to: the number of advisors per province; the number of CS Councils and target Districts per advisor and the scale of funds allocated to the CS Councils and in 2006 to the District Initiative. As reflected in the table, the average number of advisors per province steadily declined from 2.3 in 2001 to 1.5 in 2006. Concurrently, the average number of CS Councils per advisor increased from 11 in 2001 to 44 in 2006. The innovation of the District Initiative in 2006 added further responsibilities to the LAA workload in that year. In budget terms, in 2001 there was an average of \$ 215,000 allocated to the commune level per advisor. In 2006, there the equivalent figure was \$US 608,000. Finally, the total number of advisors in 2006 for 24 provinces was less than the number in 2002 for 17 provinces while the coverage, complexity and budget allocations increased dramatically.



**Table 65 Support to Local Capacity Building, Local Administration and District Initiative**

CATEGORY	2001	2002	2003	2004	2005	2006
Commune	318	509	1100	1621	1621	1621
District	0	0	0	0	0	24
Province	12	17	24	24	24	24
CS Investment	6,032,960	10,189,732	15,315,374	17,309,947	18,480,916	22,000,617
District Investment						480,000
LCBA	28	38	41	33	0	0
LAA	0	0	0	0	34	37
TOTAL	28	38	41	33	34	37
Advisor/Province	2.3	2.2	1.7	1.4	1.4	1.5
CS/Advisor	11	13	27	49	48	44
District/Advisor						0.6
CS Budget/Adv	215,463	268,151	373,546	524,544	543,556	594,611
Dist Budget/Adv						12,973
Total Bud/Adv	215,463	268,151	373,546	524,544	543,556	607,584

### **17.5.5 Support to Provincial Planning, Service Delivery, Contract Administration and M&E**

While not as widely known as the commune level work, the support provided through Seila and PLG to piloting aspects of deconcentration at the provincial level was substantial. This included support to the preparation of provincial development plans and three-year rolling provincial investment programs; the design and strengthening of the provincial investment fund which represented the only discretionary, block grant allocation to the provincial authorities; the strengthening of service delivery through the PIF; the design and strengthening of contract administration and M&E systems for all investment contracts signed by the Governor with implementing departments and private contractors; and the design and strengthening of socio-economic data bases aggregated at commune, district and provincial levels. All of the above initiatives were under implementation in all 24 provinces for four years to 2006 and were expected, following the adoption of the Organic Law, to be reviewed, revised and to contribute to a functional provincial management system.

The Provincial Department of Planning (PDoP) played the lead role with respect to planning, planning data bases and annual programming including the District Integration process. In addition, the ExCom Contract Administration Unit (CAU) was lead by the PDoP and assisted the Governor to administer, monitor, evaluate and report on investment contracts signed with provincial sector departments.

PLG technical assistance to all of these above functions evolved during the programme period. From 2001 to 2005 in many provinces there was a Planning and M&E Advisor (PMEA) working closely with the PDoP and the CAU on planning, M&E and planning data bases as well as a Sector Advisor supporting an average of 9 provincial departments with project design and management. In 2006 it was decided to combine these two positions into a post called Provincial Program Advisor (PPA). Three provinces specifically requested to maintain two advisors to support these range of functions through 2006.

**Workload Indicators:** As regards the work related to planning, planning data bases and M&E it is not easy to identify a workload indicator as the issue comes down more to quality and analytical capacity. With regard to service delivery and the PIF, the number of provincial

contracts administered, the number of provincial partnerships which involve ExCom contracting and the value of the contracts per advisor have been identified.

Table 66 Support to Provincial Planning, Service Delivery, Contract Administration and M&E						
CATEGORY	2001	2002	2003	2004	2005	2006
Commune	318	509	1100	1621	1621	1621
District	0	0	0	0	0	24
Province	12	17	24	24	24	24
Province Investment	4,294,926	6,343,171	7,531,866	11,109,263	9,311,534	11,273,874
Province Plans	12	17	24	24	24	24
AWPBs	27	25	39	49	54	64
Prov Partnerships	45	45	79	93	103	112
Contracts	207	306	385	425	564	625
PMEA	10	15	15	16	15	3
Sector Advisor	5	5	11	16	16	3
PPA						21
<b>TOTAL</b>	<b>15</b>	<b>20</b>	<b>26</b>	<b>32</b>	<b>31</b>	<b>27</b>
Invest/Advisor	286,328	317,159	289,687	347,164	300,372	417,551
Partnerships/Adv	3	2	3	3	3	4
Contracts/Adv	14	15	15	13	18	23

### 17.5.6 Support to Financial Management

The financial management systems for the two inter-governmental transfer mechanisms operating under the PRDC ExCom were both largely designed through PLG technical cooperation and were continuously revised and strengthened over 9 years (1998-2006) through annual reviews, external and internal audits and the introduction of MIS. The design of the CS Fund, which benefited from four years of piloting under the Local Development Fund, 1996-2001, was operated at provincial level by the Treasury. The Seila Financial Management system, for dollar-based accounts in commercial banks, was operated by the Finance Department. While maintaining the institutional distinction, both systems fell under the ExCom Finance Unit for coordination purposes.

PLG technical assistance to both the Department of Finance and the Provincial Treasury involved the assurance of accountability and quality control, assistance with the introduction of innovations or MIS to the system, capacity building and financial reporting to the various partners using the system. While support was provided to financial management in all 24 provinces, for the smaller municipalities such as Kep and Pailin and for the provinces of Kampot and Kampong Thom, which had large technical assistance from GTZ for the other management functions, support was provided by the SPPA.

**Workload Indicators:** Indicators for the support to financial management are fairly straightforward: the scale of the sub-national budget managed under the ExCom and the number of provincial partnerships which largely depended on the PLG technical assistance for financial management. In 2001, there was an average of 4.5 provincial partnerships and a budget of \$ 1.1 million per finance advisor. In 2006 there were an average of almost 6 provincial partnerships and a budget of \$US 1.9 million per advisor.



Table 67 Support to Financial Management						
CATEGORY	2001	2002	2003	2004	2005	2006
Commune	318	509	1100	1621	1621	1621
District	0	0	0	0	0	24
Province	12	17	24	24	24	24
Prov Partnerships	45	45	79	93	103	112
Total Budget	11,445,369	18,296,911	25,620,044	33,215,488	31,424,749	37,682,098
Finance Advisor	10	15	16	18	19	20
Partnerships/Adv	4.5	3.0	4.9	5.2	5.4	5.6
Budget/Advisor	1,144,537	1,219,794	1,601,253	1,845,305	1,653,934	1,884,105

### 17.5.7 Support to Local Infrastructure

The vast majority of projects financed through the CS Fund related to local infrastructure including rural roads, bridges, culverts, small irrigation structures, wells, etc.. In addition, 15-20% of provincial investment was normally allocated to local infrastructure. There was an acute lack of trained engineers in rural Cambodia and even fewer working in the government. As such, since the first phase of the Seila Program, technical assistance was provided for the design of user-friendly technical templates and standards that enabled small scale infrastructure projects to be properly designed, implemented, supervised and monitored.

The ExCom Technical Support Unit (TSU) in each province, managed by the Provincial Department of Rural Development, provided technical services to all CS Councils as well as to provincial departments upon request with regard to design, feasibility studies, bidding, contracting, supervision, monitoring and certification.

PLG technical assistance to local infrastructure consisted of a Local Infrastructure Advisor supporting the ExCom TSU through: technical backstopping of TSU staff assigned to help the CS Councils; in service training to TSU staff particular for new recruits; monitoring of a sample of infrastructure projects either during or after construction; and technical support to District and Province infrastructure investments.

**Workload Indicators:** Indicators presented in the table below include the scale of CS and District Investment and the number of contracts each year focused on local infrastructure. As reflected, in 2001 there was an average of 29 contracts valued at \$ 330,000 per advisor and in 2006 there were at 105 contracts per advisor valued at \$US 706,000; a more than two-fold increase.

Table 68 Support to Local Infrastructure						
CATEGORY	2001	2002	2003	2004	2005	2006
Commune	318	509	1100	1621	1621	1621
District	0	0	0	0	0	24
Province	12	17	24	24	24	24
CS and Dist Invest	3,981,754	6,725,223	10,108,147	11,424,565	12,197,405	14,837,207
Estimated Contracts	350	560	1,400	1,850	2,000	2,200
Infra Advisor	12	15	16	19	19	21
Invest/Advisor	331,813	448,348	631,759	601,293	641,969	706,534
Contracts/Advisor	29	37	88	97	105	105

### 17.5.8 Overall Support to PRDC ExCom

The following table summarizes, on an annual basis, the total number of staff working full time under the PRDC Executive Committees and the total number of PLG advisors supporting the ExCom.

As can be seen, between 2001 and 2005 the average number of ExCom staff per province remained virtually constant at 63 staff while overall coverage and numbers increased dramatically. The average number of PLG advisors per ExCom over this same period reduced from 7 to 5. As regards the sub-national budget, the average budget per ExCom staff in 2001 was \$US 15,000 and by 2006 was \$US 22,500. The average budget per PLG advisor in 2001 was \$ 140,000 and in 2006 was \$US 292,000.

Table 69 Overall Support to PRDC ExCom						
UNIT	2001	2002	2003	2004	2005	2006
PROVINCES	12	17	24	24	24	24
LAU	414	648	851	843	843	962
CAU	91	114	244	156	156	184
FU	127	159	242	276	276	265
TSU	118	148	139	252	252	258
<b>TOTAL ExCom Staff</b>	<b>750</b>	<b>1,069</b>	<b>1,476</b>	<b>1,527</b>	<b>1,527</b>	<b>1,669</b>
PLG Advisors	82	110	127	131	131	129
Subnational Budget	11,445,369	18,296,911	25,620,044	33,215,488	31,424,749	37,682,098
ExStaff/Province	63	63	62	64	64	70
PLG Adv/Province	7	6	5	5	5	5
ExStaff/Advisor	9	10	12	12	12	13
Budget/ExStaff	15,260	17,116	17,358	21,752	20,579	22,578
Budget/PLG Advisor	139,578	166,336	201,733	253,553	239,884	292,109

### 17.5.9 Support to D&D Agriculture Development

From the early days, agriculture was the single largest sector receiving financing through Seila. While annually, a high percentage of provinces provide PIF allocations for priority activities identified by the Provincial Departments of Agriculture, the majority of the financing was through large-scale projects of 4-7 year duration such as IFAD and more recently Canada. Through the long partnership with IFAD, involving three loans with a fourth to be approved in 2007, a D&D approach to agriculture development was developed involving poor farmer groups, commune extension workers, district-based extension services, revolving funds and a variety of other services. The Government of Canada adopted the IFAD model including the provision of PLG technical support at provincial level.

All of the above projects were managed under the Project Support Unit of the Ministry of Agriculture which fully adopted the management systems designed under Seila and PLG. At provincial level, the Departments of Agriculture managed the formulation of the annual work plans and budgets, coordinated and financed the work of the District Extension Offices, provided technical backstopping and monitored performance.

Through cost sharing arrangements, PLG technical assistance to agriculture at sub-national level was written into the project agreements and consisted of agriculture advisors assigned to the provincial departments. Support was provided for project management, financial reporting, technical training of extension agents, monitoring performance at all levels and participation in policy and program meetings and workshops to strengthen performance.



The table below reflects the annual combined budget for the IFAD and Canada projects, the total number of PLG agriculture advisors, the provincial coverage per advisor and the average budget per advisor. As one large IFAD project, ADESS, was nearing completion in 2004 while at the same time a new project, RPRP was just starting up, investment dipped and the average investment per advisor also decreased, then rose again by 2006 as RPRP coverage expanded to target and investments reached full implementation levels.

Table 70 Support to Agriculture						
CATGEGORY	2001	2002	2003	2004	2005	2006
Target Provinces	4	4	4	6	9	9
Agriculture Budget	1,879,450	3,271,448	3,974,393	2,931,175	3,616,926	4,306,699
Agriculture Advisers	4	4	4	8	6	6
Provinces/Adviser	1	1	1	0.8	1.5	1.5
Investment/Adviser	469,862	817,862	768,598	366,397	602,821	717,783

### 17.6 Financial Summary of PLG Disbursements

The following table summarises disbursement of PLG budget resources by budget category from 2001 to 2006. Furthermore, the table shows the contribution of PLG to overall Seila resources within each category, and the proportion of PLG TA funds to overall Seila investments, making the point that, considered merely as technical assistance to investments, the costs of PLG TA were not excessive by comparison to norms in other development assistance programmes in Cambodia during this period.

Table 71 Summary of PLG Financial Results 2001 - 2006								
Budget Category	2001	2002	2003	2004	2005	2006	Total	%
<b>1. Resources</b>								
UK/DfID	0	4,020,141	6,149,383	1,630,665	8,623,132	5,963,746	26,387,067	45
Swedish SIDA	1,200,926	2,373,400	4,684,130	8,305,886	4,705,204	5,636,153	26,905,699	46
UNDP	479,780	1,167,359	1,081,627	2,030,985	-465,488	636,789	4,931,061	9
Carry-Over								
<b>Total</b>	<b>1,680,706</b>	<b>7,560,900</b>	<b>11,915,140</b>	<b>11,967,536</b>	<b>12,862,848</b>	<b>12,236,697</b>	<b>58,223,827</b>	<b>100</b>
<b>2. Disbursements</b>								
STFS Operations	239,085	737,179	1,147,377	563,343	883,718	749,818	4,320,520	7
Provincial Contracts	269,082	2,536,456	4,817,415	5,544,153	5,771,572	5,057,400	23,996,078	41
C/S Fund	0	1,405,274	2,000,000	2,000,000	2,000,000	2,000,000	9,405,274	16
Ministries	17,613	203,987	335,991	327,811	408,665	472,066	1,766,133	3
<b>STFS NEX sub-total</b>	<b>525,780</b>	<b>4,882,896</b>	<b>8,300,783</b>	<b>8,435,307</b>	<b>9,063,995</b>	<b>8,279,284</b>	<b>39,488,005</b>	<b>67</b>
Technical Assistance	1,025,406	2,392,859	3,212,508	3,075,949	3,387,176	3,533,964	16,627,862	29
Service Fees	129,520	285,145	401,849	456,280	411,717	423,449	2,107,960	4
<b>Grand Total</b>	<b>1,680,706</b>	<b>7,560,900</b>	<b>11,915,140</b>	<b>11,967,536</b>	<b>12,862,848</b>	<b>12,236,679</b>	<b>58,223,827</b>	<b>100</b>
<b>Seila Total</b>	<b>11,339,140</b>	<b>20,295,999</b>	<b>31,026,705</b>	<b>38,903,298</b>	<b>39,214,404</b>	<b>44,702,685</b>	<b>185,482,231</b>	
PLG as % of Seila	15	37	38	31	33	27	31	
PLG TA as % of Seila	9	12	10	8	9	8	9	

# 18 Seila Programme Summary Financial Report

The following table summarizes planned and actual disbursements of the Seila Programme by year in each of the main expenditure categories. This information is based on details presented in earlier chapters of this report. The information presented here is as complete and accurate as possible given the data available from a wide variety of sources; however it must be understood that as there was no single overall accounting responsibility for all the various funds disbursed through the Seila framework during this period, full completeness and accuracy is not possible. For this reason there may be some minor discrepancies between this table and information presented elsewhere in the report.

**Table 72 Summary of Seila Program Financial Results 2001 - 2006**

Budget Category	2001	2002	2003	2004	2005	2006	TOTAL
<b>CS Fund</b>							
Resources	2,527,383	7,689,148	12,854,880	14,500,000	16,320,988	18,979,024	72,871,423
Disbursed	2,274,645	6,535,776	10,155,355	10,440,000	10,608,642	13,854,688	53,869,106
% Disbursed	90%	85%	79%	72%	65%	73%	74%
<b>CS Targeted</b>							
Resources		494,304	918,964	468,436	1,632,916	3,420,623	6,935,243
Disbursed		336,127	689,223	341,958	1,322,662	2,736,498	5,426,468
% Disbursed		68%	75%	73%	81%	80%	78%
<b>Subtotal Commune Investments</b>							
Resources	2,527,383	8,183,452	13,773,844	14,968,436	17,953,904	22,399,647	79,806,666
Disbursed	2,274,645	6,871,903	10,844,578	10,781,958	11,931,304	16,591,186	59,295,574
% Disbursed	90%	84%	79%	72%	66%	74%	74%
<b>District</b>							
Resources						480,000	480,000
Disbursed						326,400	326,400
% Disbursed						68%	68%
<b>Province PIF</b>							
Resources	942,737	912,938	2,571,982	3,696,979	4,563,585	5,139,968	17,828,189
Disbursed	905,028	894,679	2,443,383	3,438,190	4,381,042	4,574,572	16,636,894
% Disbursed	96%	98%	95%	93%	96%	89%	93%
<b>National Sector Programs</b>							
Resources	4,041,622	5,316,878	4,959,884	7,412,284	4,693,310	5,703,907	32,127,885
Disbursed	3,677,876	4,678,853	4,265,500	5,410,967	3,801,581	4,563,126	26,397,903
% Disbursed	91%	88%	86%	73%	81%	80%	82%
<b>Subtotal Provincial Investments</b>							
Resources	4,984,359	6,229,816	7,531,866	11,109,263	9,256,895	11,323,875	50,436,074
Disbursed	4,582,904	5,573,532	6,708,883	8,849,157	8,182,623	9,464,098	43,361,197
% Disbursed	92%	89%	89%	80%	88%	84%	86%
<b>National Ministry Services</b>							
Resources	481,398	646,380	556,180	681,091	866,518	1,129,880	4,361,447
Disbursed	409,188	614,061	500,562	653,847	788,531	1,005,593	3,971,782
% Disbursed	85%	95%	90%	96%	91%	89%	91%
<b>Subtotal Investments</b>							
Resources	7,993,140	15,059,648	21,861,890	26,758,790	28,077,317	34,853,402	134,604,187
Disbursed	7,266,737	13,059,496	18,054,023	20,284,962	20,902,458	27,060,877	106,628,553
% Disbursed	91%	87%	83%	76%	74%	78%	79%



Budget Category	2001	2002	2003	2004	2005	2006	TOTAL
<b>Program Support</b>							
<b>Provincial</b>							
Resources	1,145,923	1,436,097	3,323,574	5,361,473	4,183,347	4,914,049	20,364,463
Disbursed	1,111,545	1,407,375	3,257,103	5,093,399	4,016,013	4,815,768	19,701,203
% Disbursed	97%	98%	98%	95%	96%	98%	97%
<b>National</b>							
Resources	250,000	795,000	1,211,345	935,298	997,353	1,015,544	5,204,540
Disbursed	239,085	737,179	1,147,377	888,533	883,718	944,456	4,840,348
% Disbursed	96%	93%	95%	95%	89%	93%	93%
<b>Subtotal Program Support</b>							
Resources	1,395,923	2,231,097	4,534,919	6,296,771	5,180,700	5,929,593	25,569,003
Disbursed	1,350,630	2,144,554	4,404,480	5,981,932	4,899,731	5,760,224	24,541,551
% Disbursed	97%	96%	97%	95%	95%	97%	96%
<b>Technical Assistance</b>							
<b>Provincial</b>							
Resources	3,618,728	3,176,152	3,862,664	4,276,084	2,708,450	2,993,664	20,635,742
Disbursed	3,437,792	2,922,060	3,515,024	4,105,041	2,545,943	2,903,854	19,429,714
% Disbursed	95%	92%	91%	96%	94%	97%	94%
<b>National</b>							
Resources	1,084,282	1,417,880	962,900	1,777,508	1,193,545	1,426,455	7,862,570
Disbursed	1,030,068	1,375,344	943,642	1,706,408	1,145,803	1,397,926	7,599,191
% Disbursed	95%	97%	98%	96%	96%	98%	97%
<b>Consultants</b>							
Resources	350,000	350,000	335,000	601,000	769,000	503,000	2,908,000
Disbursed	322,000	343,000	328,300	594,990	745,930	462,760	2,796,980
% Disbursed	92%	98%	98%	99%	97%	92%	96%
<b>Subtotal Technical Assistance</b>							
Resources	5,053,010	4,944,032	5,160,564	6,654,592	4,670,995	4,923,119	31,406,312
Disbursed	4,789,860	4,640,404	4,786,966	6,406,439	4,437,676	4,764,540	29,825,885
% Disbursed	95%	94%	93%	96%	95%	97%	95%
<b>GRAND TOTAL</b>							
Resources	14,442,073	22,234,777	31,557,373	39,710,153	37,929,012	45,706,114	191,579,502
Disbursed	13,407,227	19,844,454	27,245,469	32,673,333	30,239,865	37,585,641	160,995,989
% Disbursed	93%	89%	86%	82%	80%	82%	84%

## References

- Andersen, H. 2004. *Strategic Response to Poverty Alleviation through the Seila Framework*. Stockholm: SPM Consultants.
- Biddolph, R. 2006a. *Through the Looking Glass: The Seila (2002-2005) Story as Told by Fifty-Three Consultant's Reports*. A Literature Survey. SPM Consultants and Oxford Policy Management.
- Biddolph, R. 2006b. DFID Review.
- Biddolph, R. 2002. *The Decentralization Flower in the Cambodian Soil*. KPI Yearbook. Bangkok.
- Biddolph, R. 2003. *The Permanent Advisory Team's Empowerment Study*. London: Oxford Policy Management. Stockholm: SPM Consultants.
- Brereton, H. 2005. *Evaluation of the Seila Gender Mainstreaming Strategy 2001-5 and Recommendations for the Next Phase of D&D Reform*.
- Dummer, I. 2005. *Information and knowledge based Systems for land Suitability Analysis in Cambodia*. Phnom Penh: Seila Task Force Secretariat.
- Holloway, J. and S. Chom. 2005. *Process Audit of the Commune/Sangkat Fund Projects*. Phnom Penh: Crossroads Consultancies Group for Seila Task Force Secretariat.
- Hughes, Caroline. 2006. A Case Study of the Seila Program in Cambodia. *Making Aid Work in Fragile States. Case studies of effective aid-financed programs*. Washington D.C: The World Bank.
- Helmets, K. and P. Wallgren. 2003. *Final Report of the Baseline Survey for Commune Council Infrastructure Investments*. Phnom Penh: Seila Task Force Secretariat.
- Inter-Ministerial Committee. 2006. Independent Study of Donor Support for Decentralization and Deconcentration (D&D). *Contributing to Democratic Development: Options for Future Support to Decentralization and Deconcentration*.
- Jutting, J, C. Kauffmann, I. McDonnell, H. Osterrieder, N. Pinaud, and L. Wegner. 2004. *Decentralisation and Poverty Reduction*
- Landell-Mills, P. and J. Rudengren. 2004. *DFID/SIDA Permanent Advisory Team on the Seila Program Third Mission Report*. London: Oxford Policy Management. Stockholm: SPM Consultants.



- Landell-Mills, P., J. Rudengren and F. Von Acker. 2004. *DFID/SIDA Permanent Advisory Team on the Seila program: Fourth mission report*. London: Oxford Policy Management. Stockholm: SPM Consultants.
- Linddal, M. 2006. Lessons learned from the Natural Resource and Environment Program. Cambodia. Danida supported NRE Program 2001-2006. Royal Danish Embassy, Danida development Cooperation Section. Cambodia
- Lundgren, P. and R. Griffin. 2002. *A Capacity Assessment of the Partnership for Local Governance Project*.
- Marschke, M. 2004. *Mainstreaming NRM with Commune Councils and PLUP Tools*.
- Ministry of Planning. 2006. National Strategic Development Plan 2006-2010.
- Ninh, K. and R. Henke. 2005. *Commune Councils in Cambodia: A National Survey of their Functions and Performance with a Special Focus on Conflict Resolution*. Phnom Penh: The Asia Foundation.
- Oberndorf, R. *Law Harmonization in Relation to Decentralisation in Cambodia*. Working Paper No. 31. Phnom Penh: Cambodia Development Resource Institute.
- Ojendal, J. and Rudengren J. 2002. *Learning by Doing: An Analysis of the Seila experience in Cambodia*. Stockholm: SIDA.
- Rabe, P. and S. Villadsen. 2006. *Commune Development Plan and Commune Investment Plan: Facilitation of Revision of Process and Content*. Nordic Consulting Group a/s
- Ribot, J. 2004. *Waiting for Democracy: The Politics of Choice in Natural Resource Decentralization*. Washington: World Resources Institute.
- Richmond, K. and H. Brereton. 2006. *Gender Based Monitoring and Evaluation*. Phnom Penh: Ministry of Women's Affairs and Seila Task Force Secretariat.
- Romeo, L. 2002. *Towards a Regulatory Framework for Decentralized Financing and Planning in Cambodia*.
- Romeo, L. 2001. *Establishing the Commune Sangkat Fund*.
- Rudengren, J., H. Anderson, and J. Durant. 2005. *Review and Assessment of STFS and PLG Support and the Seila/PLG Execution Systems*. Stockholm: SPM Consultants.
- Rusten, C. S. Kim, N. Eng and K. Pak. 2004. *The Challenges of Decentralization Design in Cambodia*. Phnom Penh: Cambodia Development Resource Institute.
- Ryan, T. 2004. *Study of Lessons Learned from IFAD Supported Projects in Cambodia in Decentralized and Deconcentrated Agricultural and Rural Development*.
- Seila Task Force Secretariat. 2005. Seila Annual Report.
- Shields, D. 2006a. *Outcome Monitoring System: Overview Reports*. Seila Task Force Secretariat.
- Smoke, P. 2003. *Options/Issues/Critical Choices for Institutionalizing the Seila Provincial Investment Fund into Royal Government of Cambodia Operations*. UNCDF Report.

Spycerelle, L. and L. Romeo. 2003.

Stallen, M. 2005. *Evaluation of Effectiveness of Technical Support Unit Final Report*.

Tracey-White, J. 2002. *Review of Provincial Investments in Seila 1997-2001*.

Van Zoggel, H. 2002a. *Training and Establishment of Commune Councils in Partnership with the Ministry of Interior's Department of Local Administration*. DOLA, Ministry of Interior.

Van Zoggel, H. 2002b. *Institutional Strengthening of DOLA/POLA in Support to Decentralization*. DOLA, Ministry of Interior.

Turner, M. 2004. *Study to Assess Effectiveness of the NCSC Training Program*.