Partnership for Local Governance

(CMB/ 01/007)


# SEILA SUPPORT TO DECONCENTRATION FRAMEWORK:
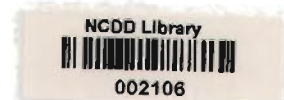# AN UPDATE AND AGENDA

(Revised draft   10 November 2003)


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# Summary

This report follows an earlier one on the same subject prepared in May 2002. It provides an update on discussions related to deconcentration and legislation to be drafted on provincial management and administration, and suggests an agenda for Seila to pursue in clarifying the issues involved.

Deconcentration is seen as one means to achieve larger objectives, such as improved service delivery, reduced poverty, and better management of provincial development. (Section C.) Discussions on the subject reflect two complementary approaches. Some start from a conceptual framework on the nature of the state, others advocate a more pragmatic approach based on the idea of incremental change building to a set of options or models for others to follow.

The report summarises recent activities by the three inter-ministerial bodies assigned responsibility for decentralization and deconcentration – NCSC, CAR and STF – and two key ministries, MOI and MOEF. Following recent completion of a three volume report on the subject by an internal task force, MOI plans to organise a series of discussions on specific issues as a preliminary step towards drafting an Organic Law on Provincial Management and Administration, which is expected to be enacted sometime mid 2005.

Although views differ, a consensus appears to be emerging on several points. (Section D.) Legislation is needed to clarify existing ambiguities and strengthen the role of the Governor and the provincial administration. A provincial forum should be established under law, most likely an advisory council, with representatives from line departments, districts and communes, and possibly civil society. Governors should be made answerable to the Prime Minister's Office rather than the MOI. Specifically, in order to promote a more coherent strategy for development of the province, Governors should have greater powers to coordinate plans and budgets of line departments, consistent with central ministry policies and programs. For this to happen, line ministries will need to delegate further responsibilities to provincial departments and subordinate units. Additional funding will be needed by the Salakhet for local initiatives, through some combination of block grants from central government and an increase in locally generated revenues. The functions and technical capacity of the Salakhet will need to be strengthened. The role and responsibilities of urban districts vis-à-vis the province will also need to be clarified.

With the exception of the delegation of powers to the Provincial Governor to support the Commune Councils, the discussion on delegating responsibilities from the centre to the province is still confused and the few reports on the subject are inconclusive. Meanwhile, several ministries have implemented their own reforms to improve service delivery, notably MOE, MOH, MOAFF and MLMUPC. Section E of this report documents some of these incremental innovations organised in terms of three components of service provision: policy; programming and budgeting; and production or delivery.

The final section F proposes an agenda for Seila to undertake with its partners as a contribution to resolving some of the key issues involved. The first item addresses six elements of strengthening the framework for managing provincial development which are likely to be the subject of legislation. These relate to:

- the nature and duties of a provincial forum, which entails restructuring the existing PRDC

- the structure and functions of the Governor's office, which involves transferring the functions of the ExCom to the Salakhet

- authority for organising and staffing that office, which needs to be transferred from the centre to the Governor

- an integrated system of planning and budgeting under the authority of the Governor's office, which should begin by incorporating both national funds for the Salakhet as well as Seila resources allocated to the province for both the PIF and programme support

- the delegation of functions and responsibilities from the centre to the province, which entails a more systematic analysis of the cumulative experience of Seila and its partners in the field, as outlined in section E, to serve as a reference for use by others

- transparency and accountability in Salakhet decision making, which involves working with Governors who have already expressed an interest in the subject to devise guidelines and implement reforms.

The second item on the agenda proposed for Seila covers five initiatives designed to strengthen Salakhet fiscal resources. Three relate to conventional strategies for strengthening local authority finances, such as improving the efficiency of revenue collection, rationalising user charges, and expanding the fiscal resource base. Others concern measures to give the Governor greater control over Salakhet funds, and to transfer authority for the collection of non-tax revenues from the DOEF to the Salakhet.

The third item includes three initiatives to improve service delivery. One concerns devising procedures to target resources for reducing poverty more effectively. Another relates to expressions of interest from line ministries in collaborating with Seila to improve the provision of services that are of critical importance to the poor. A third involves a review of responsibilities for services currently provided by the Salakhet in light of proposals to establish urban councils.

# Acknowledgements

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# List of Abbreviations

| | |
|---|---|
| ADB | Asian Development Bank |
| ADD | Accelerated Dost Development |
| ADESS | Agricultural Development Support to Seila |
| BMC | Budget Management Centre |
| CAR | Council for Administrative Reform |
| CARERE | Cambodia Area Rehabilitation and Regeneration Project |
| CAU | Contract Administration Unit (PRDC ExCom) |
| CNRM | Community-based Natural Resource Management |
| CBRD | Community-Based Rural Development |
| CCDP | Commune Council Development Programme |
| CD | Compact disk |
| CDC | Commune Development Committee |
| CSF | Commune Sangkat Fund |
| DDF | Decentralized Development Fund |
| DOAFF | (Provincial) Department of Agriculture Forestry and Fisheries |
| DOEF | (Provincial) Department of Economics and Finance |
| DOLA | Department of Local Administration |
| DOP | Department of Planning |
| DRD | Department of Rural Development |
| DSP | Decent Support Project |
| DWVA | Department of Women's and Veteran's Affairs |
| ExCom | Executive Committee of PRDC |
| FAO | Food and Agriculture Organization |
| GDP | Gross Domestic Product |
| GTZ | German Development Assistance Agency |
| IFAD | International Fund for Agriculture and Development |
| LAU | Local Administrative Unit |
| LDF | Local Development Fund |
| M&E | Monitoring and Evaluation |
| MIS | Management Information System |
| MLMUPC | Ministry of Land Management, Urban Planning and Construction |
| MOAFF | Ministry of Agriculture Forestry and Fisheries |
| MOE | Ministry of Education |
| MOEF | Ministry of Economics and Finance |
| MOI | Ministry of Interior |
| MOP | Ministry of Planning |
| MRD | Ministry of Rural Development |
| MWRM | Ministry of Water Resources and Meteorology |
| MWVA | Ministry of Women's and Veteran's Affairs |
| MOU | Memorandum of Understanding |
| NCSC | National Committee for Support to the Commune / Sangkat |
| NGO | Non-Government Organization |
| NSPR | National Strategy for Poverty Reduction |
| OD | Operational District (for health sector) |
| OWS | One window services |
| PAP | Priority Action Programme |
| PBC | Planning and Budgeting Committee (of the commune council) |
| PHD | Provincial Health Department |
| PIF | Provincial Investment Fund |
| PIP | Public Investment Program |
| PLG | Partnership for Local Governance |

| | |
|---|---|
| POLA | Provincial Office of Local Administration |
| PRDC | Provincial Rural Development Committee |
| PSO | Program Support Office |
| RGC | Royal Government of Cambodia |
| Seila | A Khmer language word approximating to "foundation stone" |
| SIDA | Swedish International Development Cooperation Agency |
| SIP | Seila Investment Program |
| STF | Seila Task Force |
| TCAP | Technical Cooperation Assistance Program |
| TF | Task Force |
| TOR | Terms of Reference |
| TSS | Technical Support Staff |
| UNCDF | United Nations Capital Development Fund |
| UNDP | United Nations Development Program |
| UNICEF | United Nations Children's Fund |
| UNOPS | United Nations Office for Project Services |
| VDC | Village Development Committee |
| WFP | World Food Program |
| WHO | World Health Organization |

# SEILA SUPPORT TO DECONCENTRATION FRAMEWORK:
## AN UPDATE AND AGENDA

## A. INTRODUCTION

This report follows up an earlier one prepared in May 2002, entitled "Seila Support to Deconcentration Framework". The overall objective of that consultancy was to assist the Seila Task Force to engage in the national policy dialogue on deconcentration and to ensure that relevant Seila experience was taken into account in the formulation process. The terms of reference called for three tasks.

1. A situation analysis of the current vision of deconcentration in Cambodia amongst policy makers, core donors and relevant Ministries / Agencies engaged in early pilot efforts;

2. A parallel analysis of the most relevant and strategic lessons learned under Seila which can inform the emerging vision; and

3. Recommendations on how the Seila Task Force, its Secretariat and the PLG Project can best engage in the deconcentration policy debate and formulation process in parallel to the decentralized reforms underway.

The objective of the current assignment was to "assist the Seila Task Force and the PLG Project in the determination of strategic interventions designed to support the ongoing national effort related to deconcentration". It was designed to focus on two aspects:

1. An updated analysis of the current vision of deconcentration in Cambodia amongst policy makers, core donors and relevant Ministries / Agencies as well as an update on specific interventions that are helping to articulate that vision;

2. Formulation of a set of options regarding Seila / PLG support to deconcentration during the remaining two years of the program, 2004-2005, to be considered during the November 2003 mid-term Review of Seila/PLG.

As such, this assignment covered much of the same ground as the earlier one, but aimed to document progress made in the interim, capture shifts in thinking on substantive issues, and spell out ideas for Seila / PLG to pursue in more detail. For this purpose, during the month of October 2003, I reviewed recently published documents and reports, and met with many of the same policy makers, officials and consultants interviewed 18 months earlier in central government and among donor agencies. In addition, I met a number of other people engaged in activities related to deconcentration, including Governors of three provinces. Lists of documents reviewed and people interviewed are included in appendices.

In the process of covering the same ground, this report inevitably reiterates a number of points made earlier. While some of the implications or conclusions remain the same, others have changed in light of new information or further reflection.

The structure of this report broadly follows the scope of work. Section B summarises pertinent events that have occurred since May 2002. Section C outlines the dimensions of the debate on deconcentration and the actors involved. The next two sections provide an update on current thinking about key issues that need to be resolved, and review a number of innovations introduced by line ministries related to their field operations and the delivery of services. The final section F proposes an agenda for Seila / PLG to consider with the aim of clarifying key issues and advancing changes on the ground.

## B. EVENTS SINCE MAY 2002.

Since the completion of the earlier report in May 2002, a number of events have taken place that relate to government policies for decentralization and deconcentration. For those less familiar with these terms, decentralization in Cambodia is generally taken to mean the transfer of functions and resources from central government to elected units of local government, namely commune councils. Deconcentration refers to the transfer of functions and responsibilities from the centre to the province and from central line ministries to provincial and district offices of those ministries, and in some cases to communes, the private sector, and service units such as schools and health clinics.

Following passage of the *Law on the Administration of Communes* in February 2001, the RGC for the first time in many decades held an election of Commune Councils in February 2002. Depending on the population of the commune, between 5 and 11 councillors were elected for 1621 communes throughout the country.

A large number of players have been involved in supporting the election and formation of these councils. The National Committee for Support to the Commune / Sangkat (NCSC), comprising representatives from the main government departments concerned, has been primarily responsible for coordinating these efforts, particularly the preparation of the regulatory framework to support decentralization and initial training.

In April 2002, the MOI issued a sub-decree (Prakas 1884/MOI) delegating extensive authority to provincial Governors for providing support to commune councils, supervising their activities, and ensuring they conform to the provisions of legislation pertaining to them. Within MOI, a new Department of Local Administration (DOLA) has taken steps to implement initiatives to strengthen the capacity of the councils. DOLA has recruited one person in each commune to serve as clerk to the Council. In addition, they have established Local Administrative Units (LAUs), also known as Provincial Offices for Local Administration (POLAs), within the Governor's Office (Salakhet) in each province, initially staffed with one or two people. Their main task is to support the Governor in exercising the authority delegated to him under Prakas 1884/MOI.

With assistance from several donors, DOLA is also implementing a number of related programs. GTZ provides support for policy matters concerning both decentralization and deconcentration. The Decentralization Support Program (DSP), funded by UNDP and operating since early 2002, helped with the Commune Council

elections a nd n ow assists w ith policy m atters, training a nd t echnical support. The Commune Council Development Program (CCDP), funded by ADB and launched in April 2003, includes a $10m loan for the construction of offices and provision of equipment for 400 communes, and grants for capacity building, the clarification of commune boundaries, and civil registration.

To support decentralization and the establishment of the councils, the Seila Task Force (STF) has also undertaken several initiatives, assisted by the Partnership for Local Governance (PLG), funded by UNDP, SIDA and DfID. Since 1996, Seila has been involved in the design, testing and development of provincial management structures to support decentralization and provincial development. The latest revision of this structure was completed at the end of 2002 to reflect the election of the Commune Councils and the initial regulatory framework formulated by the NCSC. One result was the transfer of responsibilities for commune capacity building from the departments of rural development to the POLAs mentioned earlier. Seila / PLG have also been instrumental in implementing four nation-wide training programs per year for commune councillors and clerks, designed to orient them to their responsibilities and tasks, familiarise them with financial matters and enable them to prepare annual plans and budgets.

The *Law on the Administration of Communes* sets out a number of obligatory functions which Commune Councils are required to perform, but their creation has triggered a deluge of proposals for other tasks they might or should undertake. Some commentators argue that it is unrealistic to expect the Councils to carry out these tasks unless or until they acquire the capacity to do so.

Following the e stablishment of c ouncils, t he C ommune / Sangkat Fund ( CSF) h as now become fully operational. This provides the primary source of financial support for the communes and evolved from the earlier Local Development Fund launched by Seila with support from UNCDF. The CSF is financed primarily by the Government through a fixed percentage of national domestic revenue. This percentage was 1.5% in 2002 rising to 2.0 % in 2003 and 2.5% in 2004. In addition, grants from P LG h ave b een made each year r epresenting a bout 20% o f the t otal. Through a four-year, $ 22 million loan from the World Bank, which became effective in September 2003, eligible commune investments financed by the CSF in a portion of the country will be reimbursed by the Bank.

The permitted use of funds from the CSF is laid out in a sub-decree issued by the NCSC in February 2002. This specifies that two-third of all funds should be used for development purposes, with the remaining one-third going to administrative support, and that grants are to be matched by a 10% contribution from the commune. As the level o f the C SF in t he f irst t wo years w as l imited and as capacity and skills vary among communes, the Government agreed to a phasing plan for the CSF with one third of the communes receiving full allocations in the first year (those with a development plan already formulated through the initial phase of Seila) and two thirds in the second year. From 2004, the CSF is being allocated to all 1,621 communes on the basis of a formula with 50% as a base rate, 30% allocated on the basis of population and 20% on the basis of poverty.

| Communes / sangkats receiving CSF funds for administration and development | | | |
|---|---|---|---|
| | 2002 | 2003 | 2004 |
| Administration component only | 1,115 | | |
| Administration and limited development | | 521 | |
| Administration and full development | 506 | 1,100 | 1,621 |
| Total | 1,621 | 1,621 | 1,621 |

In 2002, the first year of CSF operations, 98% of the funds were transferred to the eligible communes and 94% disbursed by the end of the year. In 2003, the Fund aims to disburse a total of $12.0 million to all 1,621 communes, making an average of $7,500 per commune. Due to exceptional central government fiscal constraints, disbursement this year is behind schedule with only 50% having been transferred by October. Funds are currently channelled to commune councils through provincial treasuries, but in order to make it easier for them to access the funds, the MOEF is reportedly considering the idea of using commercial banks or other private sector financial institutions in the future.

On another front, Seila / PLG has expanded coverage over the past 18 months to all 24 provinces in the country. Support includes setting up a framework for planning, budgeting and financial management, through the Provincial Rural Development Committee (PRDC) and an Executive Committee (ExCom) attached to the Governor's office. This includes units for financial management, contract administration, technical support services and local administration. . Seila / PLG assigns some half dozen staff to each province to assist the ExCom and selected line departments. Provinces also receive grants for program support and for development projects from the Provincial Investment Fund (PIF). For 2004, projected funding for program support totals $3.3 million or roughly $137,000 per province, and PIF grants total another $2.5 million or $104,000 per province, though amounts vary widely from one to another.

In September 2003, Seila held its annual workshop for stakeholders. With the country-wide expansion of the program, this workshop marked the first time that Governors, Deputy Governors and directors of key line departments from all 24 provinces gathered together with senior representatives from 15 ministries and 12 donor agencies to discuss the 2004 Seila Work Plan and Budget.

The workshop was notable for comments made by the Prime Minister in his speech at the closing ceremony. In it, he reiterated government support for policies for decentralization and deconcentration, and specifically recommended that ministries delegate more responsibilities to provinces for planning and implementation of programs and development projects. He also urged the National Committee for Support to Communes / Sangkats (NCSC), the Council for Public Administration Reform (CAR) and the Seila Task Force (STF) to cooperate with other concerned institutions in formulating the organic law on the management of the province and municipality.

## C. THE DEBATE ON DECONCENTRATION

### 1. Deconcentration as a means to other ends

The debate on deconcentration is attracting increasing attention from a wide range of stakeholders, due in part to recent related reforms for decentralization. Field staff of line ministries find themselves pushed in one direction by central directives and pulled in another by local demands. Staff at the centre are split between those who favour delegating greater responsibility to field units, and those who are hesitant or uncertain how to do so. Donors promoting programs for democracy and good governance confront questions about who makes decisions and to whom they are accountable. Provincial Governors, frustrated by their limited authority to act, urgently ask for clarification and enhancement of their powers and responsibilities. The MOI, to whom the Governors report, has long been under pressure to resolve their questions, but this requires action by higher authorities. Inter-ministerial bodies – notably the NCSC, CAR and STF – have been charged with cooperating with others in formulating legislation on deconcentration, or more specifically on the administration and management of the province. But the issues are complicated and time is needed to reach agreement on a formulation that has broad support from all concerned.

Almost all agree that deconcentration – and also decentralization – are not ends in themselves, but a means to achieve other larger objectives. Depending on the standpoint of the stakeholder, these might be summarised as:

- To promote democracy and good governance
- To improve the provision of public infrastructure and services, particularly in rural areas
- To reduce poverty
- To support the newly established commune councils
- To strengthen the management of provincial development.

Some go further, arguing that deconcentration is only one means to achieve these objectives, that there are other steps that can be taken too. According to this line of argument, there is no special urgency to formulate an Organic Law at this time, particularly since it involves thorny issues of determining the powers of central and provincial authorities that are likely to be difficult to resolve. Better instead to pursue other avenues until such time as a clearer consensus emerges, though when this might occur is unclear. Meanwhile, the thorny issues remain, and sooner or later will have to be addressed in legislation.

### 2. Two approaches

Discussions with stakeholders and a reading of reports on the subject reveal two different approaches to resolving issues of deconcentration. One starts from a conceptual framework of the nature of the state and the elements of service provision, from which a set or principles and guidelines may be derived and embodied in legislation. This might be called a normative approach, and is reflected chiefly among those familiar with the structure of public administration in Francophone countries, and is common among knowledgeable experts on the delivery of public services. Some worry, however, that this approach may lead to a single standard

model that may not be appropriate for all cases. Opponents may block proposals, resulting in a potential impasse.

The other approach starts from a different premise, what might be called an incremental approach. Rather than trying to figure out a normative model based on theory, it would be better to proceed piecemeal on a case by case basis in efforts to improve service delivery, make units more accountable, improve coordination at the provincial level, and empower local stakeholders to assume greater control over decisions affecting their region. The idea here is that cumulative experience based on emerging practice m ay suggest a r ange of o ptions or models that would s erve better as the basis for future legislation. The problem with this approach is that scope for innovation and reform remains limited until new legislation resolves underlying i ssues c oncerning the a ssignment o f authority a nd r esponsibility b etween the centre and the province.

At the end of the day, these two approaches are not in conflict with each other, but complementary. Those starting from a conceptual approach understand that a single one-size-fits-all model won't work, that allowance has to be made for the particularities of different public functions. Those advocating an incremental approach recognise that legislation embodying a set of overarching principles is needed to expedite more far reaching reforms in the field.

## 3. Key actors

As mentioned earlier, the main actors responsible for legislative reform are three inter-ministerial bodies: the NCSC, CAR and STF. The NCSC has led the charge for reforms related to decentralisation, notably the regulatory framework, and mechanisms for financing commune activities.

The CAR is responsible for a broad agenda of administrative reforms, one item of which concerns deconcentration, decentralization and public services. Its Governance Action Plan issued in April 2001 includes a component for developing "a strategy to deconcentrate administrative functions to enhance the capacity of provincial and district administrations to improve service delivery and to support elected commune councils". With support from the World Bank, a consultant to the CAR unit for deconcentration has recently completed a study on service delivery. The CAR unit has also recently issued an interim discussion paper on policies and strategies for deconcentration. These are discussed further in section E below.

The STF's brief is laid out in Article 3 of the June 2001 sub-decree on its establishment and operations, which mandates the STF to support the "design of decentralized and deconcentrated m echanisms a nd systems t o manage sustainable local development", and to "undertake human resource development for decentralized and deconcentrated mechanisms and systems implementation within the Seila framework". Its chief contribution has been working at the provincial level with line ministries and donors to evolve new mechanisms and procedures for managing local development, and implementing the regulatory framework for decentralization.

In addition to the inter-ministerial bodies, the MOI and MOEF among line ministries have been most closely involved in the debate on deconcentration and decentralization. The MOI's role in decentralization was mentioned earlier in section B. As regards deconcentration, the Directorate General of General Administration has formed a nine- member internal task force to review roles and functions of the province and district. This task force has recently completed a three- volume report

on the system of governance in Cambodia, which is currently being translated and will shortly be available for wider distribution. The three volumes cover the evolution of government structures over the past 50 years, current practice, and a summary of different viewpoints on future directions. The MOI next plans to organise a series of discussions on specific issues such as finance, the role of Governor, and relationships between the centre and province, as preliminary steps towards drafting an Organic Law on Provincial Management and Administration[1]. Current workplans through 2004 encompass preparations for implementation of this law, which they anticipate will be enacted sometime mid 2005.

The MOEF is mainly involved in discussions on the financial and budgetary implications of proposed reforms. Among other matters, these relate to the allocation of resources to line ministries, provinces, and communes; mechanisms for disbursement, accounting and auditing; and local revenue generation and collection. One notable innovation is the introduction of budget chapter 13 for special programs, mainly in four sectors: health, education, rural development and agriculture. This provides scope for alternative procedures for financial management designed to simplify administration and expedite disbursement of funds. Another is the creation of the Commune / Sangkat Fund, based on the Local Development Fund piloted during the first phase of the Seila program between 1996 and 2000. Later this year, UNDP / DSP plans to begin work with MOEF exploring options for enhancing the capacity of commune councils to generate their own revenues. On another front, the MOEF has recently revised the procedure for allocating chapter 11 funds for operating costs and services to Salakhet budgets. In the past, this was based on proposals submitted by each province. Starting with the 2004 budget, funds will be allocated according to a formula agreed with MOI based on criteria reflecting population, the number of administrative units, physical remoteness and other factors.

The next section reviews key policy issues at stake, and current thinking on these issues as they relate to the proposed Organic Law on Provincial Management and Administration. Section E discusses examples of incremental innovations carried out by line ministries in their efforts to improve service delivery.

## D. POLICY ISSUES TO BE RESOLVED

Any legislation on deconcentration, or more properly provincial management and administration, inevitably has to address a number of complex interrelated issues. Among others, these have to do with the role of the Governor; the relationship between the Governor, provincial departments and their parent ministries; the allocation of funds between the centre and the province; responsibility for staffing; accountability to local constituents; mainstreaming elements of the Seila framework; and the role of districts and communes. In this section, we review current thinking on these issues in an attempt to arrive at preliminary ideas about the likely shape of a new law. While no firm decisions have yet been made, there are signs of an emerging consensus on some major points.

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[1] Apparently, an earlier draft for such a law was prepared in the 1990s by a Tunisian consultant, but was never adopted. It would be interesting to see what ideas this contained.

## 1. The role and powers of the Governor

The Governor's dilemma under current legislation is well captured by a comment made by one of those interviewed for this report. "I want to be able to tell people: 'The buck stops here'", he said, pointing to himself. But he lacks the authority, since all too often decisions are in the hands of ministries in Phnom Penh. At present, Governors are appointed by the Prime Minister, based on nominations by the MOI, but their duties are prescribed through Prakas issued by the MOI. This means that officially they have to go through the MOI in communications with other ministries.

A key issue here is the Governor's authority to coordinate the activities of line departments in the province. The Governor is best placed to promote a coherent vision for the province as a whole, particularly in multi-sectoral matters such as local economic development and environmental planning, but also on smaller questions such as the inclusion of a road in the construction of a dam. Under current arrangements, the Governor has little effective authority over line departments, and scope for coordination is mainly limited to activities financed through the PIF.

On this issue, most commentators seem to agree that Governors should be granted greater powers. A commonly mentioned means of doing this would be to have Governors answer directly to the Prime Minister's office, not the MOI. This is understood to imply that Governors would then be on a par with ministers, and this would give them wider latitude in coordinating line department activities within their province. However, such a move by itself would achieve little, unless it is accompanied by other reforms discussed below.

On a related matter, some suggest Governors should be elected, but most seem to prefer the current system of appointment by the Prime Minister after nomination by the MOI.

## 2. Delegation of authority from central ministries

Granting greater powers for the Governor to coordinate activities at the provincial level implies that line ministries would have to delegate a measure of decision-making authority to their provincial departments so that they could work more closely with the Governor. This is perhaps the most difficult and potentially most contentious issue in the debate on deconcentration. Exactly what this entails is the subject of much discussion, but little clarity. A few attempts have been made to look at the subject more systematically, and are reviewed in the following section, but the results so far have been inconclusive.

Despite the lack of clarity on this matter, there does appear to be a measure of agreement about a broad division of responsibilities. Many recall the unsatisfactory situation that arose during the 1980s when central line ministries exercised little control and provinces largely went their own way, resulting in a highly uneven pattern of service delivery and inequitable access. In light of this experience, commentators generally agree that central ministries should be responsible primarily for policy directions, budget allocations among provinces and programs, and guidance on technical aspects, while provincial departments and other units should be delegated responsibility for implementing policy and particularly for tasks dealing directly with the general public. As is discussed in the next section, some ministries have already taken steps in this direction.

## 3.    Funding for provincial programs and activities

Another issue in the debate on deconcentration relates to funding for provincial programs and activities. This comes mainly from four sources:

- Budgetary allocations for line ministry programs in the province, almost entirely destined for predetermined recurrent expenditures under chapters 10 for salaries, 11 for operating costs and services, 31 for social security and sometimes 13 for special programs

- Grants and loans from donor agencies for special p rograms, which v ary greatly from one province to another, and are tied to specific activities

- Allocations from the PIF through the Seila program for provincial initiatives, most of which is in the form of a block grant, though some part is for specified activities[2]

- Local revenues and central government transfers for the Salakhet budget, part of which allows for discretionary spending on services.

Based on computations from figures in a recent World Bank report, funding from national sources for capital investment under c hapter 5 0.1 h as ranged i n the p ast from 7% to 17% of total spending executed by treasury. Exactly who controls these funds is unclear, but it seems they are budgeted entirely under the Prime Minister's office. Funds from the CSF of course are destined not for the province but communes and sangkats.

In e ffect, a part from t he PIF, and possibly s ome p art of the Salakhet budget, p ro-vinces currently have limited resources to initiate their own programs and activities. Many argue that in order to truly empower provincial administrations and promote local o wnership a nd s elf-determination, funding f or provinces should b e increased. Some advocate expanding locally generated revenues. Others call for central government block grants. These would have to be funded by some combination of additional central government revenues, donor sources, or shifting funds currently allocated to other purposes, possibly budgets for line ministries or chapter 50 for capital investment. Either way, proponents advocate that discretionary funds for provinces should be programmed and budgeted through the same mechanisms used for the PIF.

## 4.    Accountability and provincial forums

Any moves to expand or strengthen the powers and resources of the Governor's office heighten the need to improve accountability for its actions. Current legislation does not make any provision for a public forum at the provincial level. The only recognised grouping seems to be the Provincial Rural Development Committee, originally established by the MRD, but now defined under the Seila structure for provincial management as comprising all directors of provincial departments, all district chiefs, representatives from the military and police and, at the Governor's discretion,, international agencies, NGOs and the private sector. On their own initiative, several Governors have apparently instituted their own periodic provincial meetings, which often include many of the same people.

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[2] Conditions attached to PIF funding stipulate that these resources are to be used in support of communes. While this may appear to be a limitation, in practice most initiatives likely to be proposed by provinces would satisfy this condition.

Most commentators want to see a provincial forum of some kind formally established under law, though views differ widely on the purpose of such a forum, its composition, and the frequency of meetings. Some see it primarily as a mechanism to improve provincial management and coordination, and to replace the plethora of existing bodies. As such, they favour limiting membership to government officials. Others see a forum as a means not only to improve coordination and management, but also to reinforce public accountability and a sense of ownership among local stakeholders, and to offer them a voice in decision making. Accordingly, they favour including representatives from commune councils, possibly also from NGOs, the business community and other civic organisations.

Whatever their views, most people acknowledge that the idea of creating an elected council at the provincial level, akin to the commune council, is premature and unlikely to happen for the foreseeable future.

## 5. The future of the Seila ExCom

Another issue commonly raised is the future of the ExCom, now established under the Seila program in all provinces across the country. As mentioned earlier, this comprises four units. Two of these – for financial management and contracting – are primarily responsible only for activities funded through the Seila program and the CSF, but the unit for technical support and the LAU or POLA under the MOI provide broad assistance to communes on many matters not directly related to Seila. These units work closely with the Governor, and are often physically located in or near his office. At present, staff for these units are mostly seconded from provincial line departments, and receive salary supplements from Seila.

In the interests of longer-term sustainability, many would like to see the functions performed by the ExCom incorporated into the mainstream government administrative structure, but the question is how? One option would be to assign line departments responsibility for these units, but this would likely undermine coordination. Instead, some Governors with long experience of working with an ExCom advocate transferring it into the Salakhet or Governor's office, and appointing the chef du cabinet as the permanent member (executive secretary). This would require staff either to be seconded from line ministries as at present, transferred to the Salakhet from their line ministries, or replaced by Salakhet staff or new hires. Those who have thought about the matter generally favour either of the first two options in order to maintain skills and experience.

## 6. Authority for staffing

This raises two other issues, one related to salary supplements paid to certain staff working with Seila, the other to do with authority over the hiring and firing of government staff, not only for the Governor's office, but also for provincial line departments. Currently, the process is cumbersome. Depending on the action to be taken, this may involve as many as three different agencies, all in Phnom Penh: the MOI or parent ministry, the MOEF and the Civil Service Administration. Once again, this undermines, or at least slows down, the scope for local action and initiative. Many would like to see authority for staffing decisions delegated from the centre to the province adopting the transparent recruitment, job description and performance evaluation procedures currently in force for the ExCom.

These issues touch on civil service reform, which is another component of the CAR's mandate, and is no doubt already under consideration. As such it may be inappro-

priate to deal with this matter in an organic law for provincial administration. But the issue does need to be addressed, and it should be possible to find a solution that allows the province greater freedom to act within a given set of parameters.

## 7. Role of the district

While most of the discussion on decentralization and deconcentration has focused on the communes and provinces, few seem to be paying much attention to the role of the district. Many line ministries have units at the district level, which normally report to their respective provincial departments. The district office itself is a subordinate unit of the Governor's office under the MOI, usually has a small staff, and depends entirely on the Salakhet for its expenses. Communes within each district receive funds from the CSF.

Occasionally people talk about the possibility of merging smaller communes into larger units, which is a possibility, some of which might replace districts, though that seems less likely. There are however moves to strengthen districts which are predominantly urban in character. The Konrad Adenauer Foundation is sponsoring pilot projects to prepare so called master plans for Battambang and Siem Reap districts, and is supporting efforts in the same locations to simplify bureaucracy by establishing one window services (OWS) for those needing different kinds of licenses and permits. The MOI is reported to be preparing a prakas that would authorise the creation of urban district councils, composed of the district chief and representatives from sangkat councils within the district. Again, few people expect any moves towards an elected urban district council in the foreseeable future.

Such a move raises the question of the relationship between an urban district and the Governor's office. The purpose in forming an urban district council is presumably to improve the administration of the district, including the provision of urban services. One way to do this would be to make better use of sangkat funds by coordinating investments in joint projects serving several sangkats, such as street paving, water and drainage. Another would be to take over responsibility for the use of Salakhet funds destined for urban services in that district. But in many cases this represents the bulk of the Salakhet funds for discretionary use, and would leave the Salakhet, and any provincial forum that is created, with scant resources to deliberate over. That is, unless or until the Salakhet in turn starts to receive new funds, for example through central government block grants or by taking over responsibility for the use of Seila funds destined for the province. In sum, it seems unlikely that the Salakhet would be willing to delegate authority to urban district councils for the use of its own resources, until it in turn acquires responsibility for administering new resources.

## 8. Policy directions and legislation

The general drift of current thinking on deconcentration begins to suggest the likely direction of government policy and the outlines of legislation. First, there is widespread support for granting stronger powers and authority to the province and below as a means to achieve larger objectives of improving public services, reducing poverty and strengthening governance. It is also widely agreed that a new law is needed to support this goal and to clarify current ambiguities. Since deconcentration involves a large number of institutions and a wide array of public services, it is recognised that policy guidelines should stress objectives and principles rather than specific norms, and legislation should be flexible enough to allow individual agencies to formulate their own responses.

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While there appears to be general agreement on some measures to achieve the goal, others are still being explored. The authority of Governors should be enhanced, most likely by making them answerable to the Prime Minister, not the MOI. Specifically, they should have greater powers to coordinate plans and budgets proposed by line departments in accordance with central ministry policies and programs. Some form of a provincial forum should be established, most likely an advisory council, with representatives from line departments, districts and communes, and possibly civil society. Commune representatives will likely come from the provincial branch of a national association of commune councils, which is scheduled to be formed sometime mid 2004.

For these things to happen, three other measures will be needed. First, line ministries will be expected to take steps to delegate tasks and responsibilities to provincial departments and subordinate units. Broadly speaking, it is anticipated that central ministries will retain responsibility for formulating sectoral policies and programs, and budget allocations to provinces and programs, while provincial line departments will be delegated responsibility for planning, programming and implementation. Subordinate units, and possibly the private sector where appropriate, will be assigned expanded authority for service delivery to the general public. Second, additional funding will have to be allocated to the Salakhet through some combination of block grants from central government and an increase in locally generated revenues. Third, the administrative and technical capacity of the Salakhet will need to be strengthened, possibly by incorporating the functions of the Seila ExCom.

The role and responsibilities of districts will also need clarification, especially for urban districts, although how this will be addressed is less clear. Staffing matters will probably be addressed through separate policies and legislation for civil service reform.

## E.    INCREMENTAL INNOVATIONS

Deconcentration essentially entails a transfer of authority and responsibilities from the centre to the province and below. But when it comes to defining more precisely what this implies, what principles are involved, or which functions and tasks are to be delegated, the discussion becomes rather vague and confused. A few studies on the subject have already been completed, and more are planned, each designed for different purposes. As yet, there is still little sign of common ground or consistency in approaching the subject, and hence the results have been somewhat inconclusive and have not helped much to point the way forward. To aid analysis and discussion, this section outlines an updated version of a conceptual framework suggested in the May 2002 report. This framework is then used to review some of the incremental innovations that ministries have implemented in recent years.

### 1.    Contributions to the debate

Several initiatives have recently been completed by the government and donors to contribute information and ideas to the discussion, and more are planned.

On behalf of the Council of Ministers, GTZ has provided technical assistance to prepare an extensive database that includes information on most of the legislation and decrees that define the current duties and functions of each ministry, their departments and other agencies of government. The information is organised according to agencies and common functions, such as planning and budgeting, financial adminis-

tration, monitoring and evaluation, and human resource development. This task is about 50% completed, and the information collected so far is available on a CD.

To complement the database, GTZ is commissioning a series of studies on selected sectors, two of which have been completed. One provides an analysis of the situation in the health sector and assesses the powers and functions of the MOH as they relate to seven broad thematic categories, such as planning, finance, service delivery and so on[3]. The other study takes a look at a range of tasks and functions related to land management – such as land registration, land use plans, and social concessions – most of which the government has only recently started to think about, and suggests how these might be organised and who might undertake them[4].

Separately, UNDP recently commissioned a national consultant to prepare a paper covering current practice in service delivery for seven ministries, but apparently this does not provide much detailed information on specific functions performed by the province, district or other subordinate units.

CAR has also prepared a discussion paper on the subject[5]. This makes a distinction between loosely defined "front and back office" functions, and suggests a set of general principles to guide the assignment of responsibilities for service provision among different levels of the government hierarchy. Another study on service delivery by selected ministries is soon to be released by CAR, funded by the World Bank[6]. This adopts a market-oriented approach to the provision of public services and advocates building on recent innovations in an effort to identify common features and mechanisms as a basis for future guidelines.

In mid October, an IFAD consultant started work on an assignment to assess the lessons learned from the ADESS project, funds for which are channelled through a deconcentrated framework, and to explore ways in which these lessons might be applied to other programs in the agricultural sector.

Late October, a consultant hired by DSP began work on a study of how communes might collaborate with each other and with provincial authorities in undertaking joint projects serving groups of communes, for example solid waste disposal, mini-irrigation networks or upgrading of inter-connecting roads.

In a related move, UNDP is currently drafting proposals for a new project to support Priority Mission Groups, whose task will be to help push through priority reforms in selected Ministries and government agencies. Plans call for one of these groups to be attached to CAR to assist in advancing policies and strategies for improving service delivery.

## 2.    A framework for analysis

To clarify the debate on deconcentration and the delegation of functions for service provision, it may be helpful to outline a conceptual framework for analysis. This has three components: (a) the policy dimensions; (b) programming for service delivery; and (c) the production or delivery of services to consumers and beneficiaries[7].

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[3] Steven Lanjouw and Tiang Sunlay, 2003. June.

[4] Babette Wehrmann and Sy Rathmony, 2002, April.

[5] "Deconcentration – Policies and Strategies", September(?). 2003

[6] Pete Rodgers, 2003. September.

[7] The table in Annex E lists typical functions and tasks associated with each of these elements in more detail.

- **Policy** entails not only determining policies for the sector, but also such tasks as assessing needs and demand, formulating strategies and programs, setting norms a nd s tandards, p reparing regulations a nd g uidelines, designing management information systems, and capacity building.

- **Programming** includes four functions:

  o **Assignment** of responsibilities and delegation of functions and tasks among units of the government hierarchy and, where appropriate, the private sector

  o **Planning** and allocation of human and financial resources among and within programs and provinces

  o **Oversight** and supervision, technical support, monitoring and evaluation

  o **Financial management** including disbursement, payment, financial reporting and audits.

- **Production** refers to the delivery of a service in the field to consumers, users and the general public. Depending on the nature of the activity, this may include management of the service unit, bidding and contracting for construction and equipment, procurement of materials and supplies, operation and maintenance of the service facility.

In thinking about the tasks and functions associated with a given service, it is important to keep in mind potential opportunities for participation of the private sector. The first question is whether the government should be involved at all, or whether t he provision of goods and services in question might better be left entirely to the private sector. T his has already o ccurred in Cambodia for electricity and telecommunications, although even here the government still has a role to play in policy, regulation, supervision and monitoring. Private firms are also responsible for many local services, such as garbage collection, street cleaning and operation of market places, but again the government is responsible for certain tasks like contracting, supervision and sometimes f inancing. I n many c ases, however, t he government has to assume extensive responsibility, and here the question is which functions and tasks currently performed at the centre might be done more effectively at lower levels of the administrative hierarchy.

## 3.    Examples of delegated responsibilities

Section C.2 outlined two approaches under discussion for resolving the thorny issue of assigning and delegating responsibilities:  a normative approach and an incremental approach based on case by case innovations to improve service delivery. This section documents a number of such innovations arranged according to the three elements of the analytical framework just proposed: policy, programming, and production.

### a.    Policy

Few dispute that most tasks associated with policy making are the responsibility of central ministries. Broadly, defined t hese t asks r efer to m atters that apply nationwide to all actors involved in the provision of the service in question. This does not imply that the centre alone should be responsible, but that it should decide such matters based on broad consultation with stakeholders at all levels. Consultation is

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essential to ensure that proposed regulations and procedures are viable, and that the actors concerned follow them. In addition, the centre needs to design information systems to generate feedback from the field, so that revisions can be made if needed.

At the MOH, for example, Lanjouw reports that the Directorate General for Health is responsible for establishing standard norms to ensure the quality of both public and private health services. The six departments of the Directorate perform the tasks of inspecting, monitoring, evaluating and controlling the delivery of health services. The Hospital Department takes the lead when it comes to regulations. The Department for Drugs, Cosmetics and Food is responsible for quality control of food and drugs, registration procedures, and the approval of drugs.

### b.    Programming

Tasks associated with programming may be performed by the centre alone, by subordinate units, or may involve both. Commentators often complain about the lack of transparency in decisions made at the centre. Others argue that many tasks and responsibilities for decision making now in the hands of central ministries should be transferred lower down the hierarchy. Some ministries are already taking steps in this direction.

### Assignment

Decisions about who should do what are made almost entirely at the centre. For major matters, this is probably as it should be, but there may be scope for giving provinces and lower order units greater flexibility in deciding the details. Under the Seila program, for example, the Governor decides who should serve as permanent member of the ExCom. Currently most come from the departments of planning or rural development, but one is the chef du cabinet from the Salakhet.

As another example, according to current arrangements, the Salakhet is expected to contract private firms for many urban services. This may be consistent with current trends for privatising service delivery, but it may result in higher costs. Apparently, it is often difficult to find private firms willing to undertake these tasks, because they have learned from experience that they have to wait several months or longer to be paid, so they charge more accordingly. Some claim the Salakhet itself could do the job more cost effectively, which suggests it should be allowed to compete with private firms for these contracts.

### Planning and budgeting

In most ministries, planning and budgeting is largely the responsibility of the centre, although provincial departments may be asked to submit proposals.

Over the years, Seila has evolved an increasingly sophisticated process of participatory planning and budgeting for the use of PIF grants, which extends from provincial departments down to the communes and below. Now that Seila operates in all 24 provinces, this process has been widely adopted across the country.

In order to better reflect provincial needs in sectoral budgets, the MOAFF has reportedly started to hold workshops with provincial departments of agriculture to facilitate the exchange of information on proposed activities and plans for the use of PIF funds. Seila now proposes to hold similar workshops for other ministries.

Under the ADESS program, the MOAFF allows provincial departments of agriculture to determine the use of funds in accordance with program guidelines and the same participatory process used for the PIF. Proposals have to be approved both by the Governor as chair of the PRDC and by the MOAFF.

At the MEH, responsibility for preparing plans in accordance with budget allocations has been delegated to provincial departments of health, and even down to Operating Districts under the supervision of provincial departments.

### Budget allocations

In efforts to make the process more transparent, several national agencies have now adopted formulae for the allocation of funds based on a set of criteria, which are made known to the public. Seila used this procedure early on for allocations under the LDF, and later for the PIF.

The MOEF has now adopted a formula for determining central government support for Salakhet budgets, which was previously based on proposals submitted by Governors. The formula was agreed with MOI, and has been applied for the first time to Salakhet budgets for 2004. (See Appendix D for details. )

The MOE also allocates funds to schools based on a formula. Schools know the formula and can estimate and prepare their own budget, which has to be signed by both the school director and the chairperson of the School Parent Committee (SPC). It is then submitted for approval to the district office of education, and if necessary revised if not in conformance with MOE guidelines. Commonly schools propose spending more than permitted on repairs and improvements to buildings.

### Staffing

As mentioned earlier, decisions on staffing are usually made at the centre, and may involve up to three different agencies. This problem was recently highlighted in a GTZ report on the health sector, which recommended that greater efforts should be made at the provincial and district levels to include facility managers in all decisions relating to staffing needs, and that appropriate mechanisms should be found to give facility managers opportunities to evaluate staff requirements, and where necessary to hire and fire staff.

In an attempt to make matters simpler and provide more flexibility, the MOE now authorises provincial departments to make staffing decisions based on national guidelines. These aim to redress the deficit of teachers in rural areas, and provide special allowances as incentives. Towards the same end, the MOE now requires all newly graduated teachers to spend 5 years in areas where there are shortages, and is considering a loan scheme to encourage teachers to build their own house and settle there.

In more ambitious moves, MOE is reportedly aiming to delink teachers from civil service pay scales, in order to accelerate salary increases. So far, teachers' salaries have been raised 40%, with further allowances for head teachers and those working in less favoured locations. This has helped to reduce the informal practice of parent contributions in primary schools, though it is still common in secondary schools.

### Oversight

Many functions associated with oversight are still retained at the centre, although they can often be undertaken more effectively at the provincial level or lower.

Sometimes, ministries issue sub-decrees to this effect, but fail to implement them. One such case is reported in the health sector. In 2000, provincial health departments were mandated to register and licence outpatient clinics and small pharmacies, but apparently they are not doing so for lack of clear instructions.

However, other ministries are taking steps to delegate responsibilities for technical support, monitoring and evaluation, and reporting to local authorities. Under the ADESS program, responsibility for training and extension services to farmers have now been transferred from provincial departments of agriculture to district offices.

In education, the MOE already uses performance criteria to evaluate teachers, and is now trying to introduce a system of report cards for schools, which are to be prepared by local inspectors and submitted to commune councils. The MoE is also instituting an annual performance report for the education sector in each province, which is to be submitted to the Governor for review and comment.

### Financial management

The most common complaint heard in the field is uncertainty over funding and cash flow. Due to constraints in the national treasury arising from unforeseen circumstances, there is no guarantee that government units will receive the amounts allocated in budgets, and the timing of disbursements is largely in the hands of provincial treasury. Since Salakhets and provincial departments cannot predict with certainty the amount and timing of funds they are to receive, they face difficulties in preparing workplans and executing them.

Under the present system, departments prepare periodic workplans in accordance with budget allocations made by the centre, which are accompanied by requests to authorise them to incur expenditures for the period in question. These are submitted to the Governor for review and approval, then passed to the DOEF and provincial treasury, who administer funds on behalf of departments. Treasury may delay authorisation until they have sufficient funds to meet commitments. The first priority is salaries (ch 10), then basic operating costs (under ch 11). The last priority is usually funds for services (also under ch 11). Hence departments often have to postpone activities, sometimes for months, and even after they receive authorisation, vendors and contractors cannot be sure they will be paid promptly on submission of bills.

In an attempt to ameliorate these problems and provide a more predictable source of funding, MOEF introduced chapter 13 in the budget for programs in four priority sectors – health, education, agriculture and rural development. This includes sub-chapters 13.1 for Accelerated District Development (ADD) and 13.2 for Priority Action Programs (PAP). According to treasury informants, funds still flow through the provincial treasury, but in other respects procedures differ. Provincial and district units receive periodic cash advances, based on pre-approved plans and budgets, immediately after each announcement of budget releases, and account for expenditures later when they request the next advance. The Governor is not required to approve requests for advances, but is involved in the ex-post review of expenditure reports. Despite the good intentions, however, provincial staff still report delays in receiving funds, although less than through other channels.

On other matters, several ministries have taken steps to improve financial management by delegating tasks down the hierarchy. In the education sector, districts collect cash from the provincial treasury, and distribute it to schools. School boards,

composed of teachers and parents, administer the funds and submit periodic financial reports to the district. The districts in turn are responsible for collecting information from the schools and producing aggregate reports, copies of which are sent both to the provincial department of education and the DOEF. MOE is now setting up their own internal audit unit to strengthen financial management at all levels of the ministry.

In the health sector, both provincial departments and Operational District offices (ODs) are treated as Budget Management Centres (BMCs). BMCs are responsible for preparing plans and budgets, execution and procurement, and financial reporting, and the ODs administer the distribution of cash to health centres. Reports indicate, however, that ODs have difficulty functioning properly as BMCs, due to a lack of skills, confidence or understanding of their tasks. Many have asked the provincial departments to do the work instead. One commentator attributes this to inadequate preparation, and emphasizes the need for carefully designed orientation programs to first build awareness and capacity among the actors concerned.

Under the National Health Financing Charter of 1996, qualified health centres are authorised to charge user fees for their services, and to set their own fees according to local conditions, but they are also required to put in place a system for granting exemptions for the poor. Half the revenues collected are to be used for operating costs, 49% for salary supplements, and the remaining 1% is to be returned to the MOH.

Under the ADDESS program at MOAFF, provincial departments and district offices are also treated as Budget Management Centres (BMCs), although in this case they receive cash advances transferred by MEF to the province managed by the ExCom. Since this funding comes from donors, and goes through commercial banks, the problem of cash flow is largely eliminated. Those working on ADESS report that disbursement is timely and up to 95% of the budget allocation.

Some have suggested that commercial banks and other private financial institutions should also be used for certain programs funded from national resources. Access to treasury departments in provincial capitals can be a problem, especially for remote communes. To improve accessibility, it would more convenient to use private sector financial institutions which have branches in district centres.

### c. Production and delivery of services

The third component of service provision, having to do with the actual production and delivery of services to the public, offers the greatest scope for delegating tasks to lower order units in the government hierarchy or to private firms. In some sectors, such as health and education, and to some extent MOAFF, this is already well advanced, but in others central ministries still retain control over many functions.

#### Contracting and procurement

Capital investments funded through the national budget under chapter 50 are apparently handled exclusively by the prime minister's office, which is apparently also responsible for all contracting associated with these expenditures. Until national revenues allow larger budgets for capital investment, it seems unlikely that ministries will receive their own allocations for this purpose.

Similarly, most line departments report that their budget allocations under chapter 11 for services are minimal, forcing them to cut activities to the bone, and leaving nothing that would require contracting out. Such funds as are available tend to be retained by central ministries, who have traditionally undertaken any major contracting or procurement that might be involved. A particularly strange arrangement exists in the health sector, where all procurement of drugs and other supplies for MOH facilities are reportedly handled not by the MOH but by MOEF, resulting predictably in adverse consequences.

There are however notable exceptions. Starting in 2002 in 6 provinces, MOE has been piloting procedures for the construction of schools. This entails forming a provincial education facilities committee to handle investment plans and procurement. The committee is chaired by the head of the provincial department, and includes representatives from DOEF, the Department of Public Works, and communes. The committee is responsible for preparing proposals which are submitted to the PRDC for review and comment. Initially, these committees found it difficult to understand the guidelines, but after further training, the situation is said to be improving.

Following legislation in 2000, responsibility for power, water and solid waste services was transferred from the Ministry of Public Works to the Governor's Office. At the same time, water and power were privatised. The Governor's office is now responsible for contracting private firms to provide urban services such as garbage collection and street cleaning.

Under the Seila program, the ExCom contracts line departments to deliver programs and services using funds from the PIF. Earlier, in the days of the LDF, commune development committees (CDCs) were assigned responsibility for procuring contractors to build small infrastructure projects. Nowadays, the task has been taken over by the commune councils with assistance from the Technical Support Unit attached to the ExCom, and facilitators working from the district level. They help communes with preparing plans, designing projects, procuring contractors, supervising works, and approving payment for completion of works.

At MRD, moves are underway to delegate to provincial departments responsibility for procurement under chapter 11 for operating costs, though those interviewed have seen little evidence of this so far.

## Operation and maintenance

Perhaps the most advanced examples of delegating authority for service delivery down the hierarchy are to be found in the health and education sectors. One of the basic principles driving reform in education has been to give local stakeholders maximum responsibility for running their own schools. Management boards composed of teachers and parents make most decisions and handle their own financial resources.

Likewise in the health sector, the primary goal has been to give health centres and referral hospitals at the district level as much latitude as possible in running their facilities and managing their own resources. Health centres are required to set up management committees, composed of three staff members and four representatives from the community, as well as consumer feedback groups composed of two

people from each village, which meet monthly. Proposals are also under discussion to involve commune councils more in monitoring performance and particularly in deciding on exemptions for the poor.

At the MLMUPC, moves are under way to set up new services that have been ignored up until now, and to do so in such a way as to involve stakeholders as closely as possible. One pilot program is producing land use plans for villages and communes, relying primarily on local residents to do the job, with technical assistance from the district. Information will be used to compile a more complete and accurate land registry, administered by provincial departments, who will also be delegated responsibility for social concessions – granting the use of state land by landless farmers. The ministry is also planning to delegate the task of resolving land disputes from the centre to the district level, but as is the case in the health sector, they are finding that the main bottleneck is the capacity of district staff. Extensive training and capacity building will be needed first.

## F.    AN AGENDA FOR SEILA

This review of the current status of the debate on deconcentration and activities by others suggests an agenda for Seila to undertake as its contribution to resolving some of the key issues involved. Seila enjoys certain advantages which allow it to do things that other agencies might not be able to do, or may find more difficult to do. The program is not confined to any one sector, but has evolved an effective framework for working across ministry lines and facilitating collaboration among diverse actors. Seila has considerable latitude to experiment, and a long history of serving as a laboratory for testing new ideas in the field. The program also has access to funding from donors, some of whom may be interested in supporting one or other of the items outlined below.

The agenda for Seila includes three main items, each comprising a number of specific activities. The first item addresses the heart of the matter: strengthening the administration and management of provincial development, the subject of proposed legislation. This is Seila's primary area of expertise, one in which it has accumulated extensive experience, and an area in which it has already achieved significant progress. The second item on the agenda concerns fiscal resources of the Governor's office. These must be enhanced to enable the province to undertake its own initiatives for development without having to depend so much on resources from others. The third item focuses more specifically on the provision of services, particularly those for the poor.

## 1.    The framework for managing provincial development

At the heart of all the discussion on deconcentration lies the issue of strengthening the framework for managing provincial development. This is what the Seila program is really all about. Ever since it started, Seila has been concerned with designing, evolving and building structures and procedures for local development. While much has been achieved, more remains to be done. Ongoing discussions about legislation on provincial administration and management provide an opportunity for Seila to work with others in consolidating progress and preparing the ground for further advances. Even though many issues have yet to be resolved, particularly the status and responsibilities of the Governor and his office, there is broad agreement that the Governor should play a more prominent role in promoting development.

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Towards this end, Seila should consider focusing efforts on six measures to further strengthen the existing framework for managing development.

- To promote local ownership and self-determination, a provincial forum needs to be established and recognised under law.

- To enable the Governor to undertake broader responsibilities, the structure and functions of the Governor's office need to be enhanced.

- To do this, the Governor needs more latitude in organising and staffing his office.

- To improve coordination in the use of available resources, a more integrated system of planning and budgeting is required.

- To allow provincial departments to work more closely with the Governor, line ministries need to delegate to them greater responsibilities for decision- making.

- To secure broad public support for the Governor and the provincial forum, actions are needed to improve transparency and accountability in decision- making.

Each of these measures requires investigation to clarify the issues involved, explore potential options, and determine the steps to be taken to implement them. Where possible, Seila should consider going further, and testing some of these ideas in pilot locations.

### a. The nature and duties of a provincial forum

Efforts to strengthen provincial administration and management must include steps to establish a provincial forum that is formally recognized under law. This is needed not only to improve accountability in decision-making, but also to enhance local ownership and scope for stakeholders to determine their own future.

For this purpose, Seila and others should examine five main issues, which relate to:

- the role and responsibilities of such a forum

- the composition of its membership

- the appropriate structure needed to allow it to perform its duties effectively

- funding for its activities

- and its relationship to many other provincial committees and groupings that already exist.

Numerous precedents and models from Cambodia and other countries might serve as points of reference. One of these is the PRDC, which already undertakes many of the functions a legalised provincial forum would have to perform, and which includes in its membership most of the parties likely to be involved. At the end of the day, it may simply boil down to a question of restructuring (and renaming) the PRDC so that it can undertake expanded responsibilities.

In keeping with its tradition of field experimentation, Seila should investigate these issues in the context of one or two locations where MOI and Governors are keen to collaborate, and aim to produce draft guidelines and possible options for such a forum. Part of this task might include collaborating with DSP in supporting MoI to set up provincial branches of a national association of commune councils, since representation of the communes in a provincial forum is likely to be a preferred option.

### b. Structure and functions of the Governor's office

If the Governor is to play a more prominent role in promoting provincial development, the Salakhet will need to be restructured to enable it to perform additional functions. Many of these are currently handled by the ExCom under the Seila program, and need to be transferred to the Salakhet. Whether or not this issue is addressed in legislation, Seila should investigate the implications of such a move and options for achieving it.

Several aspects need to be resolved. It is not simply a matter of transferring the ExCom as it stands, since it is designed primarily to manage external resources mobilized through the Seila Program. . Its roles, functions and structure will therefore need to be reviewed, and revised where needed, in order to serve the broader purposes of provincial management. The trick here is to find ways of adapting the functions of the ExCom to serve these broader purposes without undermining its present strengths and dissipating the collective skills and experience of staff already familiar with its mode of operation. This may involve seconding or transferring staff from line departments to the Salakhet, or recruiting new people.

Again, Seila should consider investigating these issues in a couple of provinces where stakeholders are keen to make the move, with the aim of designing specific solutions. These may differ according to local preferences and conditions, but the insights gained would help in designing guidelines for application in other places.

### c. Authority for organising and staffing the Salakhet

With regard to the above matter, the Governor needs to be given greater latitude in deciding how to organise and staff his office. As mentioned earlier, most decisions currently have to be deferred to the centre, sometimes involving as many as three different agencies.

This involves questions of finance and civil service reform, which are the realm of other bodies and legislation. The issues are complex and unlikely to be resolved in the near term. This does not mean that Seila should stay away from these matters. On the contrary. Since the outcome could have a material impact on the potential capacity and performance of the Governor's office, Seila should join with others to investigate the ramifications, explore alternative scenarios, and make known their views on preferred options.

### d. An integrated system for planning and budgeting

The key to better coordination at the provincial level is an integrated system of planning and budgeting which covers all (or most) of the resources destined for the province. Seila has already achieved progress in this direction, but their system doesn't cover everything. The Salakhet budget is administered by the Governor and his staff, who may or may not consult others in making their decisions. The use of line ministry budgets is still decided for the most part at the centre, with little or no discussion with the Governor, although some ministries have begun to delegate responsibilities to provincial departments. The administration of donor programs varies, involving central and / or provincial authorities to a greater or lesser extent.

Seila should consider how the present system could be developed further. One option might be through legislation, but this would be difficult, since it requires the collaboration of those who control the resources. A more viable approach might be to proceed step by step, first putting in place a system to be managed by the

Governor and Salakhet, then gradually adding components as ministries, donors and others agree.

The first step would largely be accomplished by transferring to the Salakhet the functions of the ExCom for planning, budgeting and financial management, along with related processes and procedures developed by Seila. The next step would be to incorporate in this system both national funds for the Salakhet as well as Seila resources allocated to the province for both the PIF and program support. Although funds might still flow through different channels, they would be administered by the same unit in the Salakhet.

### e.       Delegation of functions and responsibilities

Strengthening the framework for provincial administration and management implies delegating authority from the centre to the province and below. This includes not only responsibilities for planning and budgeting to improve coordination, but also a potentially wide range of other tasks and functions. Precisely what this involves and how this should be done is not well understood and remains a subject of much confusion. While several ministries have already taken steps in this direction, notably MOH, MOE and MOAFF, others are lagging behind. Some claim they have little interest in doing so, but it may have more to do with not knowing how to proceed. Seila and its partners in the field have accumulated over the years considerable knowledge and experience on the subject, yet the information remains scattered and difficult to access. There is a big opportunity here for Seila to clarify the issues involved and point the way forward.

This would entail an exercise to assemble the information, organise it in a coherent framework, and make it available to those who could make good use of it[8]. The exercise involves three steps. The first is to identify the main elements or tasks of service provision that are common to most sectors, such as planning and budgeting, resource allocation, financial management, procurement, operation and maintenance. The second step would be to look at a number of innovative programs or services, and document the procedures involved for each task, and the actors responsible for them at each level of the administrative hierarchy. The third step would entail a comparative analysis of the different methods adopted for each task or function, and a qualitative assessment of the conditions under which these functions might feasibly be delegated to lower order units.

Section E on incremental innovations provides a rough idea of what is involved, but it needs to be done in a more comprehensive and systematic manner. Depending on the resources available, this exercise might cover three to seven sectors, with the results published in a series of reports covering key functions. The information would be most useful to agencies considering similar moves, those responsible for designing new programs, and not least consultants who are new to Cambodia.

Once key responsibilities are delegated more broadly to provincial departments, especially for budgeting and the allocation of resources, the business of coordinating activities and promoting a more coherent strategy for development of the region would become more attainable.

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[8] This exercise fits closely with Output 3.2 of the current Seila project document, "Disseminate lessons from experience".

### f. Transparency and accountability

A sixth measure for strengthening the framework for provincial administration and management relates to transparency and accountability in Salakhet decision-making. At present, practice seems to vary widely from province to province, in part a reflection of the incumbent Governor's style of conducting business. For the most part, in the absence of legislation recognising and defining the role and responsibilities of a provincial forum, there is little pressure or incentive to address the issue explicitly. However, once forums are established under law, principles of good governance will need to be reinforced and adopted more widely. This is another measure for Seila to look into, and should involve MOI, POLAs, Governors and their staff.

The investigation might proceed by identifying key areas of decision- making, clarifying current procedures for making those decisions, and exploring options to improve consultation and broaden participation in the process. Obvious areas include planning and budgeting, allocating resources, procurement, delivery of services, monitoring and reporting. Seila has extensive experience in designing transparent procedures for these purposes, some of which might be transferable to Salakhet operations. At Seila's September workshop, some Governors reportedly expressed an interest in this subject, and their provinces might be the focus of case studies. Since much can be done without new legislation, the investigation should be coupled with actions to achieve specific improvements.

## 2. Fiscal resources of the Salakhet.

There is little point in shifting functions and responsibilities to the provincial administration without providing adequate financial resources to undertake these responsibilities. As mentioned earlier, these come mainly from four sources: line ministries, donor programs, the Seila program (also funded by donors), and the budget for the Salakhet. Some have suggested that funds should be transferred from line ministry budgets to the Governor's office. This is one option, but undermines the ability of central ministries to implement national policies for each sector. To some extent, the same goal can be achieved more simply by delegating authority to provincial departments for allocating program resources, as discussed above.

However, steps are needed to increase the financial resources available to the Salakhet, and also to give the Governor greater control over these funds.

Seila's agenda in this regard covers five topics. Three relate to conventional strategies for strengthening fiscal resources for local authorities, such as improving the efficiency of revenue collection, rationalising user charges, and expanding the fiscal resource base. Others concern control over Salakhet funds, and authority to collect non-tax revenues.

### a. Control over Salakhet funds

Current funding for the Salakhet comes from a number of local taxes and non-tax revenues related to fees and service charges, as well as fiscal transfers from the national budget. Currently, all these local revenues are deposited with the provincial treasury, and the Governor has to wait in line along with other provincial departments for treasury to disburse cash to the Salakhet or pay their bills. This leads to familiar problems mentioned earlier of budget uncertainties, cash flow constraints, delays in payment to vendors, and higher costs for service contracts.

Seila, together with other parties concerned, should investigate ways to overcome these problems, and perhaps test proposed solutions in one or two pilot locations. One option, for example, would be to deposit these revenues in a separate account in treasury, to be available for disbursement immediately revenues are accumulated. Another option would be to deposit these revenues in a bank account under the joint signatures of the Governor and other Salakhet officials. Either way, the aim would be to give the Governor greater control over Salakhet resources. This would be an important step in enabling Governors to claim that "the buck stops here".

### b.    Revenue collection

Evidence from other developing countries indicates that public revenue collection agencies, especially at the local level, manage to collect only a fraction of total potential income. Commentators suggest the same holds true in Cambodia. Reasons vary, but usually include incomplete databases, primitive systems of record keeping, and high default rates among those who are supposed to pay.

Another measure to enhance the financial resources of the Salakhet would be to increase the efficiency of collecting revenues to which they are entitled. Typically, this entails upgrading databases, computerising records, adopting better procedures for billing and collection, and setting performance standards. Seila should consider working with MOEF and Governors in one or two provinces to identify opportunities for introducing new methods and procedures that would yield significant improvements in efficiency and income, and that might later be adopted by other provinces.

### c.    Authority to collect non-tax revenues

Other explanations often given for poor performance in revenue collection are lack of motivation and leakage, especially when revenues are collected by one agency on behalf of another. In Cambodia, all taxes are collected by the national tax office or their provincial departments, including those destined for the Salakhet. This has always been the case, and will likely remain so. Non-tax revenues for the Salakhet are apparently collected by a separate unit within DOEF.

If motivation and leakage are significant factors in performance, then another measure to explore would be to transfer authority from DOEF to the Salakhet for the collection of non-tax revenues to which they are entitled. This is another area that Seila might consider exploring. Precedents apparently exist in other line ministries, for example in MOAFF for revenues from fishing and forestry concessions, and MOT for vehicle registration fees. One issue that arises is whether the Salakhet should hire their own staff for the purpose, second staff from DOEF, or transfer them to the Salakhet. The first option implies the need for training and technical assistance.

### d.    User charges

Charges and fees for services such as garbage collection and the use of facilities such as marketplaces and slaughterhouses are another source of income for the Governor's office. But they may also represent a drain on the budget if they do not cover the costs of providing the service. The full costs may not have been taken into account, particularly for depreciation and capital replacement. Inflation may have led to an increase in costs since the charges were set. Inappropriate subsidies may be involved. The number of users or consumers may have been overestimated.

Two issues are involved here. One concerns the responsibility and procedures for setting these fees and charges. Another concerns the actual level of fees and

charges. Seila should consider looking into this issue with a view to enhancing Salakhet control and allowing local stakeholders to resolve such matters themselves. This implies designing appropriate procedures to ensure adequate representation of the interests of all parties involved – the consumer, the entity delivering the service, and the Salakhet. As with other topics, Seila should focus on one or two locations as case studies, with the goal of implementing proposed actions where possible.

### e. Revenue base

A more comprehensive approach to strengthening the fiscal resources of the Sala-khet involves a review and possible expansion of the revenue base, in other words, the range of potential sources from which to generate revenue. As mentioned earlier, current legislation entitles the Salakhet to a variety of tax and non-tax revenues. According to figures provided by MOEF, many of these generate insignificant amounts of income, one third of them less than 0.3% of the total. (See annex D.) This might imply that the Salakhet is overlooking a potential source of income, o r more probably that the potential is negligible, and may even cost more to collect than it generates. If this is the case, it might as well be dropped. On the other hand, some major sources of local revenue commonly found in other countries are not included, notably a tax on property[9].

Later this year, a UNDP/UNCDF Mission will apparently look into this issue. Seila / PLG staff expect to meet with them to explore possible areas for collaboration.

## 3. Service delivery

The last item proposed for Seila's agenda includes three initiatives to improve service delivery. One concerns methods of targeting resources to reduce poverty. Another relates to the provision of services that are of critical importance to the poor. A third involves a review of the services provided by the Salakhet in light of proposals to establish urban councils.

### a. Targeting resources to reduce poverty.

In its recent review of public expenditure in Cambodia, the World Bank makes the comment that despite intentions there is no clear evidence that resources are effectively being targeted to reduce poverty. Behind this comment lie two questions. Which kinds of public interventions are most likely to make a significant impact on poverty alleviation? And, what mechanisms and procedures should be adopted to ensure that resources are channelled towards those activities?

The National Poverty Reduction Strategy (NPRS) includes a long list of interventions suggested by various ministries. The most recent version of MOP's guidelines for the District Integration Process incorporates this list and reflects the objectives of poverty reduction in the criteria the ExCom's are to use in allocating resources. However, neither document provides much help in deciding which interventions might be most effective in reducing poverty.

Seila should address this gap by strengthening measures to assist provinces in deciding how best to use available resources for the purpose. There are three steps to consider here. One is the design of analytical methods to pinpoint dimensions of poverty that are particularly severe in the province, or specific locations within the province. Another is to compare this information with the perceived priorities of poor

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[9] The list does includes a tax on unused land, but this accounts for only 1.1% of the total in 2004.

people. This might be evident from the list of needs compiled by communes and presented at the District Integration Workshop, assuming this accurately reflects the views of the poor. The third step is to integrate these measures into the larger process of provincial planning to ensure this information is shared with stakeholders in order to improve the use of resources for poverty alleviation.

### b. Improving services to reduce poverty.

A second initiative for Seila to consider follows from the previous one. As the NPRS implies, the poor need many kinds of services, but some are probably seen as more important than others. Together with partners, Seila should select one or two activities where critical improvements might make a big difference, and work with the stakeholders concerned to design initiatives that would achieve the desired improvements.

Criteria for selecting such activities should include such factors as: the perceived importance of the activity to the poor; the willingness of agencies concerned to work with Seila; the complexity of the problems involved and the likelihood of making progress in the remaining two years of the current Seila program; the relative costs involved and resources available; and the level of interest among potential donors who might support the activity over a longer time horizon.

One initiative that is already at the planning stage is for Seila to work with MLMUPC on social concessions, providing landless farmers with plots to cultivate. People in other sectors also appear to be interested in collaborating with Seila on the provision of services: from MOH in tackling some of the issues associated with the management of health centres; and from MOE in their efforts to institute a system of school report cards for Commune Councils. Another possibility to consider is working with the Ministry of Water Resources in improving the process of planning and designing local irrigation networks, which is still highly centralised. Doubtless there are other ideas that might also be considered.

### c. Improving services provided by the Salakhet.

Apart from the initiatives mentioned earlier in Battambang and Siem Reap, it appears that little attention is being paid to services provided by the Salakhet. Many of these are for urban areas, such as street cleaning, garbage collection, marketplaces and slaughterhouses, but others serve a broader clientele. Several Governors have welcomed the idea of working with Seila to explore ways of improving the provision of these services.

The intention here is to identify critical issues in service delivery that are of broad interest to Governors, and then to examine these in detail in a few locations. One important matter relates to the implications of MOI's plans to establish councils for urban districts, and the appropriate division of responsibilities between such a council and the Salakhet. Another potential issue of wide interest is the financing of Salakhet services and methods of cost recovery. A third concerns the role of private firms in delivering services and the relative costs involved. The Konrad Adenauer Foundation may already be addressing some of these matters, but there may be opportunities for Seila to collaborate with them.

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## 4. Conclusion

The agenda proposed here for Seila / PLG to consider involves many other actors, some of whom may already be looking into the areas mentioned. Seila / PLG staff should therefore consult with key partners first to agree on a set of activities for Seila to undertake in collaboration with others. The next step would be identify partners who are interested in participating in these activities, and to estimate the human and financial resources required for implementation. It might then be appropriate to package this agenda under some sort of umbrella or sub-program, in order to mobilise national and donor resources for the purpose.

# ANNEX A:
## Terms of Reference

## Terms of Reference
(6 September 2003 Draft for comment)

| | |
|---|---|
| **Project Number:** | **CBM/01/007** |
| **Project Title:** | **Partnership for Local Governance** |
| **Consultancy:** | **Seila Support to Deconcentration Framework** |
| **Budget Line:** | **CMB/01/007 BL 1192** |
| **Location:** | **Phnom Penh, Cambodia** |
| **Duration:** | **6-31 October (four weeks)** |

### Background and Context

Since 1996, the UNDP/CARERE2 Project, and from June 2001 the UNDP/Partnership for Local Governance (PLG) Project, have provided technical and program support to the Royal Government of Cambodia's Seila Program. The Seila Program is a national effort to reduce poverty through improved local governance. It is the collective responsibility of an inter-Ministerial body, the National Seila Task Force (STF), which is supported by a Secretariat based in the Council for Development of Cambodia. At province level the Seila program is managed by the Provincial Rural Development Committee (PRDC) and its affiliated Executive Committee, both chaired by the Provincial Governor.

Based on a broad consultative process involving core Seila Task Force Ministries, provincial authorities, the wider Cambodian society and external partners, the second phase of the Seila Program, 2001-2005, was formulated in 2000 and approved by the Council of Ministers on 4 January 2001. Seila is now defined as an aid mobilization and coordination framework for support to decentralization and deconcentration.

Expanding its geographical coverage on a gradual basis each year, by March 2003 full national coverage to all 24 provinces/municipalities and 1,621 commune/sangkats was achieved. Seila has provided a model for Government – donor partnership by providing a framework for multi-donor financing through which approximately $ 150 million worth of investment, program support and technical cooperation in local services and sectoral development has been channelled by eleven multilateral and bilateral donors, Government and NGOs.

The STF supports mandated institutions in the formulation of policy and systems and ensures that approved policy and regulations are implemented. Based on an annual, integrated programming process, all resources mobilized under Seila are systematically transferred to mandated government institutions responsible for implementation. This includes participating Ministries at national level, technical departments at provincial level and commune authorities at local level. Seila has made a major contribution to testing, learning about and refining approaches to decentralisation and deconcentration paving the way for the introduction of a national decentralisation and deconcentration policy framework as a key component of the Royal Government's State reform agenda.

## The Decentralized Regulatory Framework

In July 2001, the Royal Government established the National Committee for Support to Communes/Sangkats (NCSC) with a mandate to formulate the decentralized regulatory framework for implementation of the Commune Administration Law and to evaluate, adjust and strengthen the framework during the first 5-year mandate of the Commune/Sangkat Councils. Simultaneous with the establishment of the NCSC, the new Department of Local Administration (DoLA) in the Ministry of Interior was established to act both as Secretariat to the NCSC and to coordinate the overall implementation of the Commune Administration Law and regulations. Two years later, the basic regulatory framework is in place, 8 training courses on roles, systems and procedures have been delivered nationwide and 1,621 elected Commune/Sangkat Councils are in their second cycle of planning, budgeting and managing responsibilities.

From the outset, the Seila Program has allocated considerable technical support to the NCSC, its Subcommittees and the core Ministries to assist in formulating regulations, integrating salient features of the decentralization experience generated through Seila over the past several years, designing training programs and preparing operational workplans. In addition, c onsiderable financial s upport i s being provided through Seila for operational support to DoLA, core national Ministries and 24 provinces/municipalities in support to the C/S Councils.

While considerable work remains to be done on the regulatory framework, the definition of the powers and functions of the Commune/Sangkat Councils, the redesign of the core governance systems, the redefinition and transition in institutional arrangements and the strengthening of training programs, a clear momentum for decentralization has been established.

## Deconcentration

The Royal Government is fully aware of the need for the deconcentration reforms to be designed coherently with decentralization so that the two reforms are implemented in a coordinated fashion. While it had earlier been anticipated that an Organic Law on the Province and District would have been prepared by early 2002, the formulation and consensus around the underlying principles and vision for deconcentration a re s till u nder p reparation. T he mandate f or d econcentration r ests with the Council for Administrative Reform (CAR) while the Ministry of Interior is expected to play a key role in conceptualisation and formulation.

In Cambodia, deconcentration of powers and functions to the Governor and the provincial/district administration are seen a s having t wo key c omponents. T he first relates to the role of the Governor in managing provincial and district support to the Commune/Sangkat Councils. Significant progress has been made within this component as the role of the Governor has been defined by the NCSC within the decentralized regulatory framework. The second component relates to the role of the Governor and the provincial administration in regard to line Ministries and their provincial departments. Minimal progress has been made in this respect though discussions are ongoing. While this consultancy will include a review of the first component primary emphasis will be given to the second component.

## Seila and Deconcentration

While the Seila Task Force is not the responsible policy body for deconcentration, the Seila program has been involved over the past six years in designing, testing and continuously revising deconcentrated management systems, structures and procedures at province level. This includes such features as:

- Provincial Rural Development Committee chaired by the Governor (a provincial assembly that coordinates and reviews provincial development and approves an annual work plan and budget of between $ 300,000 and $ 2,000,000);
- PRDC Executive Committee chaired by the Governor (composed of core departments responsible for management functions in the execution of the annual work plan and budget);
- Detailed management terms of reference specifying horizontal and vertical responsibilities, job descriptions and an administrative and personnel policy manual for all staff employed by the and job descriptions for staff employed by the ExCom
- Provincial Programming and Planning System, now adopted by the Ministry of Planning nationwide through an official Prakas, which on an annual basis integrates sector plans, international and national agency plans and commune plans into a 3-year rolling Provincial Investment Plan and annual work plan and budget;
- Financial system, designed and authorized by the Ministry of Economy and Finance, for the receipt, disbursement, monitoring and reporting on funds allocated to the province within the annual work plan and budget;
- Contracting system used by all provincial departments and private sector entities implementing activities under the annual work plan and budget; and
- Monitoring and evaluation system tied to the Provincial Investment Plan and annual work plan and budget.

As specified in the Seila Program document, and similar to Seila inputs into the formulation of the decentralized regulatory framework, it is intended that the experience generated over the past six years with deconcentration will feed into the policy dialogue and formulation under the auspices of the Council for Administrative Reform and the Ministry of Interior both of whom are members of the Seila Task Force. At the same time it is recognized that the deconcentration initiatives developed under Seila are not all encompassing of the overall policy and that a variety of deconcentration experience and design has also been generated within several line Ministries, notably Health and Education, which needs to be taken into account in the formulation process.

In November 2003, a mid-term review of the Seila Program and PLG Project will be undertaken. It is anticipated that the mid-term review will help achieve consensus between the Seila Task Force and the PLG Donors on a range of strategic issues that will help guide the remaining two years of current program implementation as well as establish a framework for formulating a possible next phase of the program beyond 2005.

## Scope of Work

The overall objective of the consultancy is: **to assist the Seila Task Force and the PLG Project in the determination of strategic interventions designed to support the ongoing national effort related to deconcentration.**

The consultancy is designed to focus on two key aspects as follows:

1) An updated analysis of the current vision of deconcentration in Cambodia amongst policy makers, core donors and relevant Ministries/Agencies as well as an update on specific interventions that are helping to articulate that vision;

2) Formulation of a set of options regarding Seila/PLG support to deconcentration during the remaining two years of the program, 2004-2005, to be considered during the November 2003 mid-term Review of Seila/PLG.

## Tasks Required:

1. **Situation analysis on Deconcentration**

**Key Stakeholders:** CAR, MoI, MEF, STF, UNDP, Sida, DfID, WB, ADB, GTZ, PLG

1.1 Hold structured meetings/interviews with key stakeholders to assess the current vision of deconcentration, the level of policy preparation, important pilot activities being undertaken and the perceived lessons learned that are informing the process at present;

1.2 Analyze and summarize the results of the dialogue into a situation analysis.

2. **Formulation of strategic options for future support from Seila and PLG**

**Key Stakeholders:** STF, UNDP, Sida, DfID, World Bank, Danida, PLG

2.1 On the basis of 1 and 2 above, hold discussions with STF members and the STF Secretary General on the perceived role, strategy, content and requirements necessary for Seila to most effectively engage in the national policy debate and formulation of deconcentration policy;

2.2 Formulate strategic options for Seila and PLG support to deconcentration including: a) how best to contribute to ongoing policy formulation; and b) specific interventions related to institutionalization of management structures and systems development.

## Methodology

- In the first week, the consultant will hold meetings with the Council for Administrative Reform, Ministry of Interior, Ministry of Economy and Finance and the STF Secretary General in order to be updated on the status of

deconcentration policy formulation and the vision of the roles to be played by province and district levels.

- This will be followed by structured meetings with key stakeholders in the donor community that are specifically engaged in support to the Royal Government in regard to deconcentration policy formulation and/or pilot interventions to assess current and planned interventions.
- One or two provincial visits may be planned in order to assess particularly relevant pilot interventions that are assessed by government officials to be particularly relevant to policy formulation;
- In the final week of the consultancy, meetings will be organized to present draft strategic options.

### Expected Outputs

1. The consultant(s) will prepare an Inception Note (within 5 days of commencement of the assignment), outlining the Consultants' interpretation of the TOR, detailing modifications proposed and agreed with the STF Secretary General, UNDP and PLG and a program of work that incorporates a consultative process (3 pages). The inception report will include a description of the stakeholders and participatory methodology that will be used to complete the objectives. This will be submitted to the STF Secretary General, UNDP and the PLG Programme Manager for approval. Changes in the work plan and schedule can be made after consultation and agreement with the STF Secretary General, UNDP and the PLG Senior Program Advisor.

2. An outline of the draft report one week before the end of the Mission which is agreeable to all parties and that covers the objectives and tasks of the TOR.

3. A final report in the standard UNOPS format (??) on completion of the assignment. A consolidated draft and final report will be prepared in English and provided to the STF Secretary General, UNDP and UNOPS in hard copy and on diskette.

4. The Consultant will present his/her findings to the Seila Task Force, UNDP and PLG partners towards the end of their assignment in a debriefing meeting.

Copying and distribution of the final documents is the responsibility of UNOPS, with distribution through STF.

### Supervision:

The consultant will be responsible for successful completion of his/her assignment to the Senior Portfolio Manager, Asia Office. On a day-today basis, and particularly on technical and operational matters, the consultant reports to the Secretary-General of the Seila Task Force and the PLG Senior Program Advisor. The consultant is expected to liase closely with UNDP in carrying out the assignment.

Administration, logistics and transport will be arranged by PLG.

**Qualifications**

- Post graduate degree, or equivalent, in relevant field of governance, deconcentration and decentralisation.
- Experience in the field of public investment programs and rural development.
- Experience in decentralized local governance and deconcentration.
- Prior knowledge of Cambodia and in particular the evolution of the governance reform process; and
- Ability to work in multicultural, multidisciplinary team.

# ANNEX B:
## Itinerary and List of People Met

| Date | Organisation / Name | Position |
|---|---|---|
| Sun, Oct 5 | Arrive Phnom Penh | |
| Mon, Oct 6 | Phnom Penh | |
| AM | Partnership for Local Governance (PLG) - Briefing | |
| | Ms. Joanne Morrison | Operations Advisor |
| | Mr. Luc Spyckerelle | Monitoring and Evaluation Advisor |
| PM | Logistics, Review documents | |
| Tue, Oct 7 | Phnom Penh | |
| AM | PLG – Review documents | |
| PM | United Nations Development Programme (UNDP) | |
| | Mr. Ernesto Bautista | Governance Adviser |
| Wed, Oct 8 | Phnom Penh | |
| AM | Partnership for Local Governance (PLG) – Briefing | |
| | Mr. Scott Leiper | Senior Programme Adviser |
| | Asian Development Bank, Commune Council Development Project | |
| | Peter Blunt | Project Coordinator |
| PM | Ministry of Interior, Department of Local Administration (DOLA) | |
| | Ir Luc de Meester | GTZ Team Leader, Administrative Reform |
| | Mr. Steven Lanjouw | Consultant |
| | Ministry of Interior, Department General of Administration | |
| | HE Sak Setha | Director General |
| | Mr. Koy Sarim | Chairman, Task Force on Deconcentration |
| | Staff member | Director, Department of Provincial Administration |
| | Mr. Scott Leiper | PLG |
| Thur, Oct 9 | Phnom Penh | |
| AM | PLG – Review documents, draft interview questionnaire | |
| PM | Konrad Adenauer Foundation (at PLG) | |
| | Dr Jurgen Gerlach | Architect |
| | Ms. Birgit Schindhelm | Urban Planning Adviser, Siem Reap |
| | Ms. Britta Uhlig | Urban Planning Adviser, Battambang |
| | Mr. Scott Leiper | PLG Senior Programme Adviser |
| Fri, Oct 10 | Phnom Penh | |
| PM | Council for Administrative Reform (CAR) | |
| | HE Tep Darong | Deputy Secretary General |
| | Mr. Hok Peng Se | Project Director, Public Service Provision |
| | Mr. Scott Leiper | PLG Senior Programme Adviser |
| Mon, Oct 13 | Phnom Penh | |
| AM | Ministry of Economy and Finance | |
| | Mr. Liv Bunhay | Director, Department of Local Finance |
| | Partnership for Local Governance (PLG) | |
| | Mr. Scott Leiper | Discuss Inception Report |

| Date | Organisation / Name | Position |
|---|---|---|
| PM | **Asia Foundation** | |
| | Ms. Lim Siv Hong | Programme Officer |
| | **Decentralisation Support Program** | |
| | Mr. Shyam Bhurtel | Decentralization Policy Advisor |
| **Tue, Oct 14** | **Phnom Penh** | |
| PM | **Ministry of Agriculture, Forestry and Fisheries** | |
| | Mr. Don Bishop | PLG, Agricultural Adviser |
| **Wed, Oct 15** | **Phnom Penh** | |
| PM | **Province of Kandal** | |
| | HE Tep Nannory | Governor |
| | Mr. Ros Chhay | Senior Provincial Programme Avisor |
| **Thu, Oct 16** | **Phnom Penh** | |
| PM | **Phnom Penh Municipality** | |
| | HE Kep Chuk Tema | Governor |
| | Mr. Ros Sokha | Senior Provincial Programme Avisor |
| **Fri, Oct 17** | **Phnom Penh** | |
| AM | **Partnership for Local Governance (PLG)** | |
| | Mr. Scott Leiper | Progress report |
| **Sun, Oct 19** | **Kratie** | |
| PM | **Province of Kratie** | |
| | HE Loy Sopath | Governor |
| | Mde Trang Ha Wi | Chef du Cabinet |
| | Mr. Cheap Sam An | Senior Provincial Programme Avisor |
| **Mon, Oct 20** | **Kratie** | |
| AM | **Province of Kratie** | |
| | Mr. In Phean | Chief Finance Officer |
| | Mr. Om You Teng | Deputy |
| | Mr. Cheap Sam An | Senior Provincial Programme Avisor |
| **Tue, Oct 21** | **Phnom Penh** | |
| AM | **Council for Administrative Reform (CAR)** | |
| | Mr. Alain Benicy | Principal Advisor |
| PM | **Ministry of Interior, Department of Local Administration (DOLA)** | |
| | Mr. Steven Lanjouw | Consultant |
| | **Seila Permanent Advisory Team (PAT)** | |
| | Mr. Robin Biddulph | Consultant |
| **Wed, Oct 22** | **Phnom Penh** | |
| AM | **Council for Development of Cambodia** | |
| | HE Chhieng Yanara | Deputy Secretary General |
| | Mr. Scott Leiper | PLG |
| PM | **Ministry of Education, Youth and Sport** | |
| | Mr. Mike Ratcliffe | Institutional Capacity Building Adviser |
| | **Ministry of Rural Development** | |
| | HE Ngy Chanpal | Under Secretary of State |

| Date | Organisation / Name | Position |
|---|---|---|
| **Thu, Oct 23** | **Phnom Penh** | |
| AM | **Department for International Development (DfID)** | |
| | Dr Daniel Arghiros | Governance Adviser |
| | **Partnership for Local Governance (PLG)** | |
| | Ms. Joanne Morrison | Operations Advisor |
| PM | **Seila, Partnership for Local Governance (PLG)** | |
| | Mr. Vuth | Chief, Finance |
| | Mr. Siva | Deputy Chief, Finance |
| **Fri, Oct 24** | **Phnom Penh** | |
| PM | **Ministry of Land Management, City Planning and Construction** | |
| | Mr. Willi Zimmerman | Team Leader, Land Management and Administration Project (LMAP) |
| | **World Bank** | |
| | Mr. Steven Schonberger | Staff member |
| | Ms. Louise Fallon Scura | Lead Natural Resources Economist, World Bank Washington |
| | Mr. Rob Taliercio | World Bank Washington |
| | Mr. Scott Leiper | PLG Senior Programme Adviser |
| | Ms. Joanne Morrison | PLG Operations Advisor |
| **Mon, Oct 27** | **Phnom Penh** | |
| PM | **Ministry of Agriculture, Fisheries & Forestry** | |
| | Mr. Tony Ryan | Consultant |
| | Mr. Don Bishop | PLG, Agricultural Adviser |
| **Wed, Oct 27** | **Phnom Penh** | |
| AM | **Partnership for Local Governance (PLG)** | |
| | Mr. Julian Abrams | Infrastructure Adviser |
| | Mr. Scott Leiper | Senior Programme Adviser |
| | Ms. Joanne Morrison | Operations Advisor |
| **Wed, Oct 27** | **Phnom Penh** | |
| PM | **Decentralisation Support Program** | |
| | Mr. Shyam Bhurtel | Decentralization Policy Advisor |
| | Mr. Scott Leiper | Senior Programme Adviser |

# ANNEX C:
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# ANNEX D:
# Salakhet Budgets

## 2004 BUDGET MANAGEMENT
## PROVINCIAL/MUNCIPAL REVENUE
( In Thousand US Dollars)

| REVENUE FREQUENCY | Total | PNP | KDL | KPC | BAT | PVG | SRP | KPT | TAK | SVR | PUR | KCH | KSP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL REVENUE | 25,250.0 | 9,547.5 | 1,233.8 | 1,375.0 | 871.3 | 731.3 | 1,010.0 | 573.8 | 716.3 | 787.5 | 552.5 | 546.3 | 640.0 |
| 1. INTERNAL REVENUE | 15,250.0 | 9,547.5 | 908.8 | 1,100.0 | 408.8 | 206.3 | 672.5 | 123.8 | 216.3 | 187.5 | 127.5 | 121.3 | 240.0 |
| 1.1 Tax revenue | 12,500.0 | 8,746.8 | 688.8 | 525.0 | 250.0 | 118.8 | 620.0 | 97.0 | 126.3 | 116.3 | 77.5 | 75.0 | 187.5 |
| Tax on unused land | 288.8 | 75.0 | 62.5 | 2.5 | 0.3 | 0.8 | 50.0 | 0.5 | 0.8 | | | 1.8 | 17.5 |
| Tax on stamps | 1,475.5 | 875.0 | 137.5 | 17.5 | 13.8 | 3.8 | 225.0 | 1.8 | 3.3 | 12.5 | 5.0 | 1.8 | 11.5 |
| License (annual) | 1,583.8 | 1,125.0 | 50.0 | 52.5 | 36.3 | 15.5 | 125.0 | 8.8 | 18.8 | 16.3 | 10.0 | 6.3 | 10.0 |
| Tax on animal sale | 213.8 | 62.5 | 10.0 | 23.8 | 12.5 | 7.5 | 16.3 | 10.5 | 11.8 | 7.5 | 3.8 | 2.5 | 5.0 |
| Tax on vehicles | 4,023.0 | 1,750.0 | 425.0 | 425.0 | 182.5 | 90.0 | 175.0 | 75.0 | 91.3 | 78.8 | 57.5 | 62.5 | 122.5 |
| Tax on electricity | 4,915.3 | 4,859.3 | 3.8 | 3.8 | 4.8 | 1.3 | 28.8 | 0.5 | 0.5 | 1.3 | 1.3 | 0.3 | 1.0 |
| 1.2 Non-Tax Revenue | 2,750.0 | 800.8 | 220.0 | 575.0 | 158.8 | 87.5 | 52.5 | 26.8 | 90.0 | 71.3 | 50.0 | 46.3 | 72.5 |
| Electricity Supply | 15.5 | | | | | 6.0 | | | | | | | 1.3 |
| Water supply | 391.3 | 375.0 | 5.5 | 2.5 | | | 3.8 | | | 3.8 | 2.5 | | 1.0 |
| Quarries (construction material) | 45.8 | | | 2.5 | 1.3 | 2.5 | 2.8 | 0.5 | 0.3 | 2.5 | 2.5 | | 12.5 |
| Rent market | 181.7 | | 35.0 | 82.8 | 35.0 | 0.8 | | | | 6.3 | 2.5 | | 0.5 |
| Vehicle parking | 367.6 | 34.8 | 3.8 | 163.8 | 13.5 | 32.5 | 3.8 | 1.8 | 4.3 | 2.0 | 3.8 | 4.5 | 3.6 |
| Ferry fees | 320.3 | 19.5 | 145.0 | 72.3 | | 15.0 | | | | | | 4.0 | |
| Slaughterhouse | 165.5 | | | 38.8 | 16.0 | 4.5 | 2.3 | 12.0 | 11.3 | 3.8 | 3.8 | 6.3 | 16.3 |
| Market daily tax | 628.5 | | 21.0 | 137.5 | 75.0 | 21.3 | 32.5 | 2.5 | 58.3 | 32.5 | 30.0 | 23.5 | 33.8 |
| Fishing | 35.5 | 14.3 | | | 11.3 | | | | | | | 7.5 | |
| Boat parking | 88.8 | 1.5 | | 20.0 | 0.3 | 0.3 | 4.0 | | 13.5 | 8.0 | | | |
| Land service fees | 37.9 | 15.0 | 5.0 | 1.3 | 1.5 | 1.5 | 0.9 | 1.0 | 1.3 | 1.0 | 1.3 | | 2.5 |
| Administration fees | 10.6 | | 0.5 | 5.0 | | | | | 0.3 | | | | |
| Administration fees's approval | 413.3 | 335.8 | | 48.8 | 2.5 | 1.3 | | 8.8 | 0.5 | 4.0 | | | |
| Other revenue from public service | 11.1 | | | | | | 0.9 | | | | | | |
| Other revenue | 36.9 | 5.0 | 4.3 | | 2.5 | 2.5 | 1.8 | 0.3 | 0.5 | 7.5 | 1.3 | | 1.3 |
| 2. GOVERNMENT TRANSFER | 10,000.0 | 0.0 | 325.0 | 275.0 | 462.5 | 525.0 | 337.5 | 450.0 | 500.0 | 600.0 | 425.0 | 425.0 | 400.0 |

Seila Support to Deconcentration Framework: Update and Agenda

## 2004 BUDGET MANAGEMENT
## PROVINCIAL/MUNCIPAL REVENUE
(In Thousand US Dollars)

| REVENUE FREQUENCY | KAM | SHV | KGG | PVR | KRT | RAT | MDK | BMC | STG | KEP | PLN | OMC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL REVENUE | 621.3 | 907.5 | 485.0 | 505.0 | 543.8 | 555.0 | 442.5 | 760.0 | 473.8 | 442.5 | 426.3 | 502.5 |
| 1. INTERNAL REVENUE | 146.3 | 507.5 | 135.0 | 30.0 | 143.8 | 30.0 | 42.5 | 260.0 | 48.8 | 17.5 | 26.3 | 2.5 |
| 1.1 Tax revenue | 100.0 | 352.5 | 47.5 | 12.5 | 65.0 | 16.3 | 10.0 | 228.8 | 25.0 | 13.8 | 20.0 | 0.0 |
| Tax on unused land | 2.5 | 62.5 | 5.0 | | 2.5 | | 0.3 | | 0.3 | 4.0 | 0.3 | |
| Tax on stamps | 12.5 | 112.5 | 6.3 | 0.5 | 6.3 | 0.8 | 0.3 | 25.0 | 0.3 | 2.5 | 0.5 | |
| License (annual) | 16.3 | 42.5 | 10.0 | 1.8 | 11.8 | 1.5 | 0.8 | 18.0 | 3.0 | 1.5 | 2.5 | |
| Tax on animal sale | 10.0 | 7.5 | 2.5 | 1.8 | 7.0 | 2.8 | 0.8 | 3.8 | 2.5 | 0.5 | 1.3 | |
| Tax on vehicles | 57.5 | 125.0 | 23.0 | 8.3 | 36.3 | 11.3 | 8.0 | 180.0 | 18.5 | 5.3 | 15.0 | |
| Tax on electricity | 1.3 | 2.5 | 0.8 | 0.3 | 1.3 | | | 2.0 | 0.5 | | 0.5 | |
| 1.2 Non-Tax Revenue | 46.3 | 155.0 | 87.5 | 17.5 | 78.8 | 13.8 | 32.5 | 31.3 | 23.8 | 3.8 | 6.3 | 2.5 |
| Electricity Supply | 3.8 | | | | | | | 1.3 | | | | |
| Water supply | 1.8 | | 0.5 | | | | | 0.5 | | | | |
| Quarries (construction material) | 1.3 | | 0.8 | 1.3 | | 0.8 | | 3.8 | | | 0.3 | |
| Rent market | 2.8 | | 8.8 | 3.8 | | | | | 3.8 | | | |
| Vehicle parking | 6.5 | 45.0 | 9.5 | 0.3 | 20.0 | 0.5 | 1.0 | 7.8 | 1.0 | 1.8 | 2.5 | |
| Ferry fees | | | 30.0 | 0.3 | 30.3 | | | | 4.0 | | | |
| Slaughterhouse | 2.5 | | | 5.0 | 1.8 | 7.5 | 24.5 | 3.5 | 3.3 | | 2.5 | 0.3 |
| Market daily tax | 18.8 | 77.5 | 20.5 | 3.8 | 12.5 | 3.8 | 0.8 | 10.0 | 10.5 | 1.0 | | 1.8 |
| Fishing | | | | | | | | 2.5 | | | | |
| Boat parking | 1.8 | 27.5 | 6.3 | | 6.0 | | | | | | | |
| Land service fees | 0.5 | 0.8 | 1.3 | 0.3 | 0.7 | 0.2 | 1.3 | 1.0 | | | 0.3 | |
| Administration fees | 1.3 | | | | 0.4 | 0.5 | 2.5 | 0.3 | | | | |
| Administration fees's approval | 4.3 | | 5.0 | 2.3 | | | | | | | | 0.3 |
| Other revenue from public service | | 3.8 | 5.0 | | 1.5 | | | | | | | |
| Other revenue | 1.3 | 0.5 | | | 1.3 | 0.6 | 2.5 | 0.8 | 1.3 | 1.0 | 0.5 | 0.5 |
| 2. GOVERNMENT TRANSFER | 475.0 | 400.0 | 350.0 | 475.0 | 400.0 | 525.0 | 400.0 | 500.0 | 425.0 | 425.0 | 400.0 | 500.0 |

| | | | Budget Plan for Province/Municipality 2004 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | ( Unit: US Dollars Thousands ) | | | | | | |
| | | | Chapter | 10 | | 11 | | 31 | 41 |
| GIS Code | Provinces / Municipalities | Budget 2003 | Budget 2004 | Salary | Total | Operating Costs | Service | Social Security | Contin-gency |
| 1 | Phnom Penh | 7,625 | 9,548 | 366 | 8,744 | 495 | 8,249 | 118 | 320 |
| 2 | Kandal | 1,243 | 1,234 | 208 | 979 | 298 | 681 | 13 | 35 |
| 3 | Kg Cham | 1,125 | 1,375 | 254 | 1,069 | 210 | 859 | 11 | 41 |
| 4 | Battambang | 783 | 871 | 185 | 618 | 155 | 463 | 6 | 63 |
| 5 | Prey Veng | 743 | 731 | 190 | 511 | 180 | 331 | 8 | 22 |
| 6 | Siem Reap | 894 | 1,010 | 163 | 800 | 250 | 550 | 5 | 43 |
| 7 | Kg Thom | 560 | 574 | 139 | 410 | 138 | 273 | 8 | 18 |
| 8 | Takeo | 629 | 716 | 168 | 516 | 135 | 381 | 13 | 20 |
| 9 | Svay Rieng | 638 | 788 | 116 | 648 | 150 | 498 | 5 | 19 |
| 10 | Pursat | 560 | 553 | 105 | 425 | 151 | 274 | 6 | 17 |
| 11 | Kg Chhnang | 500 | 546 | 126 | 400 | 160 | 240 | 4 | 16 |
| 12 | Kg Speu | 579 | 640 | 130 | 488 | 135 | 353 | 4 | 19 |
| 13 | Kampot | 523 | 621 | 138 | 465 | 144 | 321 | 3 | 16 |
| 14 | Sihanoukville | 850 | 908 | 85 | 793 | 190 | 603 | 5 | 25 |
| 15 | Koh Kong | 450 | 485 | 85 | 379 | 138 | 241 | 8 | 14 |
| 16 | Preah Vihear | 568 | 505 | 91 | 395 | 146 | 249 | 4 | 15 |
| 17 | Kratie | 600 | 544 | 80 | 445 | 124 | 321 | 3 | 16 |
| 18 | Ratanakiri | 548 | 555 | 94 | 444 | 121 | 323 | 3 | 15 |
| 19 | Mondolkiri | 435 | 443 | 65 | 360 | 110 | 250 | 4 | 13 |
| 20 | Ban Meanchey | 708 | 760 | 114 | 621 | 138 | 484 | 3 | 22 |
| 21 | Stung Treng | 423 | 474 | 68 | 389 | 124 | 265 | 4 | 14 |
| 22 | Kep | 430 | 443 | 45 | 384 | 90 | 294 | 1 | 13 |
| 23 | Pailin | 378 | 426 | 61 | 348 | 93 | 255 | 5 | 13 |
| 24 | O. Meanchey | 464 | 503 | 68 | 420 | 95 | 325 | 3 | 13 |
| | TOTAL | 22,250 | 25,250 | 3,141 | 21,048 | 3,968 | 17,080 | 243 | 819 |
| | As % Total | | | 12.4% | 83.4% | 15.7% | 67.6% | 1.0% | 3.2% |

# ANNEX E:

## Functions and responsibilities related to service provision

Seila Support to Deconcentration Framework: Update and Agenda

| Functions and responsibilities related to service provision | National Ministry | Provincial Department | District | Commune | Other |
|---|---|---|---|---|---|
| **A. Policy:** | | | | | |
| - assessing needs and demand | | | | | |
| - determining sectoral policies | | | | | |
| - formulating strategies and programs | | | | | |
| - mobilising resources | | | | | |
| - preparing regulations and guidelines for implementation | | | | | |
| - setting norms and performance standards | | | | | |
| - training and capacity building | | | | | |
| - design of management information systems | | | | | |
| - coordinating activities with other agencies / departments | | | | | |
| **B. Programming** | | | | | |
| **(1) Assignment:** | | | | | |
| - assigning responsibilities and delegating tasks to subordinate units (province, district, commune, other units) | | | | | |
| - deciding on the role of the private sector in provision of public services | | | | | |
| **(2) Planning:** | | | | | |
| - preparing plans and budgets | | | | | |
| - allocating resources among programs and provinces | | | | | |
| - allocating resources within each province | | | | | |
| - recruitment and deployment of staff | | | | | |

Seila Support to Deconcentration Framework: Update and Agenda

| Functions and responsibilities related to service provision | National Ministry | Provincial Department | District | Commune | Other |
|---|---|---|---|---|---|
| **(3) Oversight:** | | | | | |
| - providing guidance and technical assistance | | | | | |
| - monitoring program implementation | | | | | |
| - evaluating program impacts and performance | | | | | |
| **(4) Financial management:** | | | | | |
| - disbursement of funds to subordinate units | | | | | |
| - payment for goods and services | | | | | |
| - accounting and financial reporting | | | | | |
| - auditing | | | | | |
| **C. Production / delivery of services:** | | | | | |
| - bidding & contracting for construction and equipment | | | | | |
| - management of service units | | | | | |
| - procurement of supplies & materials | | | | | |
| - operation of facilities or service unit(s) | | | | | |
| - maintenance and repairs of facilities or service units | | | | | |
| **E. Governance:** | | | | | |
| - promoting awareness of development programs to the public | | | | | |
| - promoting community participation in planning and decision making | | | | | |
| - involving the community in managing and operating services | | | | | |
| - promoting openness and transparency in decision making, resource allocation and financial reporting | | | | | |