

## CHAPTER 4

# The Seila Program in Cambodia

Cambodia's Seila program emerged in a context in which conflict was ongoing and political and economic reforms were at an early stage. At the national level, political conflict remained intense, while on the ground, almost 90 percent of the population engaged in subsistence agriculture amid physical, political, and economic insecurity. The rural economy was characterized by shattered infrastructure that inhibited access to markets and services, unclear land rights and widespread land-grabbing, and a largely nonexistent private sector offering little off-farm employment. Throughout the 1990s, natural resources, particularly forests and fishing lots, were rapidly privatized through nontransparent means, with disastrous implications for the incomes of the landless and the poor.

In terms of governance, the picture was murky. In the 1980s, Cambodia's provinces were governed by provincial administrations, with a great deal of de facto autonomy from the center. This autonomy was not a product of a federal regime but rather of the lack of infrastructure, poor telecommunications, and difficulty of travel. With the overhaul of the state apparatus after 1993, following the promulgation of a new Constitution, rapid centralization of powers occurred. Subsequently, the government announced a

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desire to decentralize power once again, although no organic law yet exists identifying the structure, functions, or revenue-raising powers of different layers.

In the provinces, government is organized through a number of vertical structures. The central administrative structure is the provincial administration, under an appointed governor, who oversees the offices of the various district chiefs. District chiefs oversee a system of communes, the lowest layer of government. Before 2002 appointed chiefs headed communes. In 2002 the first commune elections took place to choose multimember commune councils from party lists in a proportional representation system. Cambodia's ruling party, the Cambodian People's Party, won a landslide victory in these elections, although almost all commune councils have representatives from more than one party.

Below the commune is the village, headed by a village chief who receives a stipend from the commune, although his role is not recognized in the Constitution as that of a government official. Research has shown that for most rural Cambodians, the village is the only sphere of society, the economy, or politics in which villagers take much interest or about which they have much knowledge (Biddulph 2001,14). Commune government is frequently referred to as a monolithic *tnak loeu* (higher level), although attitudes toward the commune level may be changing as a result of the recent commune elections.

The functions of these layers of government are complicated by the existence alongside them of provincial and district departments of various line ministries, such as rural development, planning, agriculture, forestry and fisheries, education, and health. The horizontal coordination between these line ministries is highly variable and generally poor. Complicating matters further, the Ministry of Health administers health districts that are not coextensive with administrative districts, while ministries such as the Ministry of Agriculture, Forestry, and Fisheries and the Ministry of Rural Development, which engage in natural resource management, frequently deal with resources, such as forests and fisheries that are common to a number of villages or communes.

In the northwest of the country, where the programs that culminated in Seila originated, are a number of so-called "reconciliation zones"—zones previously administered by insurgents of the National Army of Democratic Kampuchea (NADK) that have been reintegrated. In these zones, commune and district officials are often former NADK cadres, retained in their administrative roles. In the early 1990s, these provinces accepted large numbers of refugees returning from border refugee camps,

where many had lived since the late 1970s or early 1980s. Warfare continued until 1999, leaving landmines and a devastated economy. This setting provided the context for the Seila program.

This chapter is based on three sources of information. The main source is documentary evidence, gained from the comprehensive literature of research studies, evaluation reports, and project documents collected by Seila over the years (these sources are available online at <http://www.seila.gov.kh>). A second source is a series of interviews with representatives of donor organizations, NGOs, ministries, and Seila officials that was conducted in Phnom Penh in September and October 2004. A third source is discussions with representatives of the provincial government and commune councils, which were conducted during two brief field trips to Kompong Cham and Pursat Provinces in October 2004.

### **The Seila Program's Evolving Goals and Objectives**

The Seila program was established in 1996, initially as a framework for matching the delivery of capital for infrastructural projects from a variety of donors and the national government with local, participatory needs assessments in five provinces in Cambodia. Since 2001 the program's goal has been redefined in order to integrate it with the government's decentralization and deconcentration reforms, under which a three-tiered system of planning and budgeting—focusing on the commune/*sangkat*, province/municipality, and national levels—was created.<sup>1</sup>

Resources mobilized or programmed under the Seila framework are channeled through annual planning processes and horizontal and vertical consultations at the commune, district, province, and national levels. The resources are then systematically transferred to national ministries and institutions, provinces, and commune/*sangkat* councils, which are responsible for implementing a wide range of services and investments in accordance with their respective mandates.

The Cambodian government's Seila program document of December 2000 defines it as "a national effort to achieve poverty reduction through improved local governance." As such, it incorporates three goals:

- alleviating poverty, by delivering discretionary budgetary support for provincial and commune authorities to provide basic infrastructure and services at the village level, which are in compliance with participatory systems of planning and prioritization, and are implemented locally

- strengthening institutions at the provincial and commune levels, by providing technical assistance in managing the administration and financing participatory development schemes
- piloting and experimenting with models of decentralization and deconcentration in support of government policy for wider initiatives in this area

The program's outputs are as follows:

- provision of efficient and effective public goods and services for local development
- effective implementation of strengthened local institutions and of decentralized and deconcentrated systems
- improvement of national policy and regulations for decentralization and deconcentration (UNDP 2001a)

A central concept behind Seila's strategy is the notion of good governance, which is regarded as a prerequisite for poverty reduction and sustainable development. Good governance encompasses these:

- local democratic institutions (both representative and participatory) that provide opportunities for citizens (including the poor and marginalized) to be actively involved in local decision making and in the monitoring and auditing of local public expenditures
- local administrations with greater development and services responsibilities and with correspondingly greater autonomy, resources, and capacities to adopt their own poverty alleviation policies and to deliver their benefits
- effective and efficient partnership arrangements for development management and service delivery between central and local authorities, civil society organizations, and the private sector (UNDP 2001b)

Strengthening governance has involved developing procedures for procurement, participatory planning, financing, and public-private partnerships in local development projects; training staff at the provincial and commune levels in implementing these procedures; and establishing teams of facilitators to monitor their implementation on an ongoing basis. More broadly, it has involved establishing a framework for disbursing donor funds through subnational state agencies, giving these agencies the resources, discretion, and capacity to take a leading role in promoting participatory development practices. An important indicator of the success

of the program is the fact that this funding framework has attracted significant interest from donors, who have increasingly channeled their contributions through the Seila framework.

If one is to appreciate the significance of the program's achievements, it is important to note that these objectives were not explicit in the program's initial design. Rather, they developed along the way, in the light of experience and necessity. Several aspects of the Seila program emerged almost by chance, which is significant in terms of the implications for the design of similar programs. In characterizing the Seila program, then, one must take account of the development in the program's scope and objectives, as well as its changing institutional structure.

Seila emerged from an initial effort, by the United Nations Development Programme (UNDP), to channel funds for repairing infrastructure and improving services to areas in Northwest Cambodia where former refugees were being repatriated under the Cambodian peace process of 1991–93. UNDP had accumulated 16 years of funding for Cambodia, funds that needed to be spent. In a project titled the Cambodia Area Rehabilitation and Regeneration Project (CARERE 1), it focused on providing quick-impact projects to benefit communities to which refugees were returning. Many aspects of these projects were unsuccessful, particularly in promoting the local ownership necessary to render the infrastructure projects delivered sustainable. However, this program laid the groundwork for Seila by getting development workers on the ground in five provinces; giving them experience in working with the state apparatus in these areas; and, in one province, permitting experimentation in participatory planning by creating elected village development committees, a concept that was taken up in the next phase of the project.

CARERE 2, which ran from 1996 to 2000, built on CARERE 1, with some key differences. It set out to provide long-term frameworks for planning and development rather than short-term emergency response and humanitarian relief. CARERE 1 was a traditional project, in which local structures were largely bypassed to deliver goods to the local population. This approach was altered in 1996, when CARERE 2 was established, as a support project to a set of government development activities, themselves organized through the Seila program. CARERE 2 replaced emergency relief and infrastructure delivery for resettled people with experimentation in decentralized local development and reconciliation. The Seila half of the program entailed the establishment of planning and development mechanisms within government for the spending of funds allocated by donors. The CARERE 2 half of the

program lent support that emphasized capacity building for the government officials involved with Seila.

Initially, the objectives of CARERE 2 were framed as follows:

- build capacity in the five provinces for integrated area development planning
- build capacity for Seila to mobilize and manage financial resources
- build capacity for Seila to perform activities related to the whole project cycle
- improve the socioeconomic well-being of the population in target zones
- establish a comprehensive documentary resource base on the Seila experience

After a mid-term evaluation in July 1998, these objectives were rearticulated as follows:

- establish decentralized government systems that plan, finance, and manage development
- create a secure environment conducive to reconciliation between government and communities
- assist government and nongovernment entities in providing essential basic services
- inform national policy on decentralized development with lessons from the CARERE/Seila experience

The changing focus suggested by these alterations in objectives reflected growing awareness that the strength of the program lay in its relationship with government and its ability to promote changing governmental attitudes, increase government effectiveness, and provide the means for experimenting with new forms of local governance. Thus, the goals of the program changed: in 1996 CARERE 2 was envisaged as a program to alleviate poverty and to contribute to the building of peace through capacity building in the state apparatus. By 1998, the goal had become broader and the vision of reformed governance more ambitious. The notion that CARERE itself should deliver improved standards of living had fallen away entirely. Instead, it was seen as supporting government in raising living standards. In addition, issues of participation and state-society relations had entered the program's central rationale, giving the program more of a specifically political agenda. Seila now aimed—through support

for decentralized governance—to contribute to poverty alleviation and spread of peace in Cambodia, by strengthening the bonds linking civil society to the structures of the state and by empowering the Cambodian rural population to become fully participating members in the development process (Rudengren and Ojendal 2002, 6).

CARERE ended in 2001. The Seila program continued, supported by a new multidonor support program called the Partnership for Local Governance (PLG), established in 2001. Seila's new objectives focused primarily on instituting decentralized systems and strategies for poverty alleviation through good governance.

The PLG project document emphasizes that the significance of Seila, from a donor perspective, is that it focuses on the policy and institutional environment of poverty reduction, which is neglected by many stand-alone projects. The central concern of Seila is to support provincial and commune planning and coordination mechanisms. This support is achieved through provision of budgets and support for experimentation in developing new procedures. It describes Seila as a program to

provide subnational (provincial and commune) authorities with some regular general purpose financial transfers (the Local Development Fund and Provincial Investment Fund) that would support . . . the practical experimentation and adoption, by the same local authorities, of technically sound and participatory planning, programming and budgeting practices. Such practices are meant to be institutionally sustainable, which is potentially statutory (nationally/locally regulated) and independent from specific/sectoral, domestic or external funding sources. They are in turn expected to provide the supporting framework for . . . subnational decision making and accountability on the allocation of resources and actual implementation, of multiple, centrally funded and monitored, sectoral or purpose-specific development programs (PLG 2001, 11–12).

By this time, Seila was viewed primarily as a program aimed at reforming local governance. It was also being increasingly used as a mechanism for channeling and coordinating broader, sector-specific donor assistance, although this was seen as supplementary to the core function. To a great extent, Seila was being promoted as the future of Cambodian local government and as the testing ground for the policies of decentralization and deconcentration of government function that by 2001—with the first local elections looming—were very much on the political agenda.<sup>2</sup>

### ***Structures of the Seila Program***

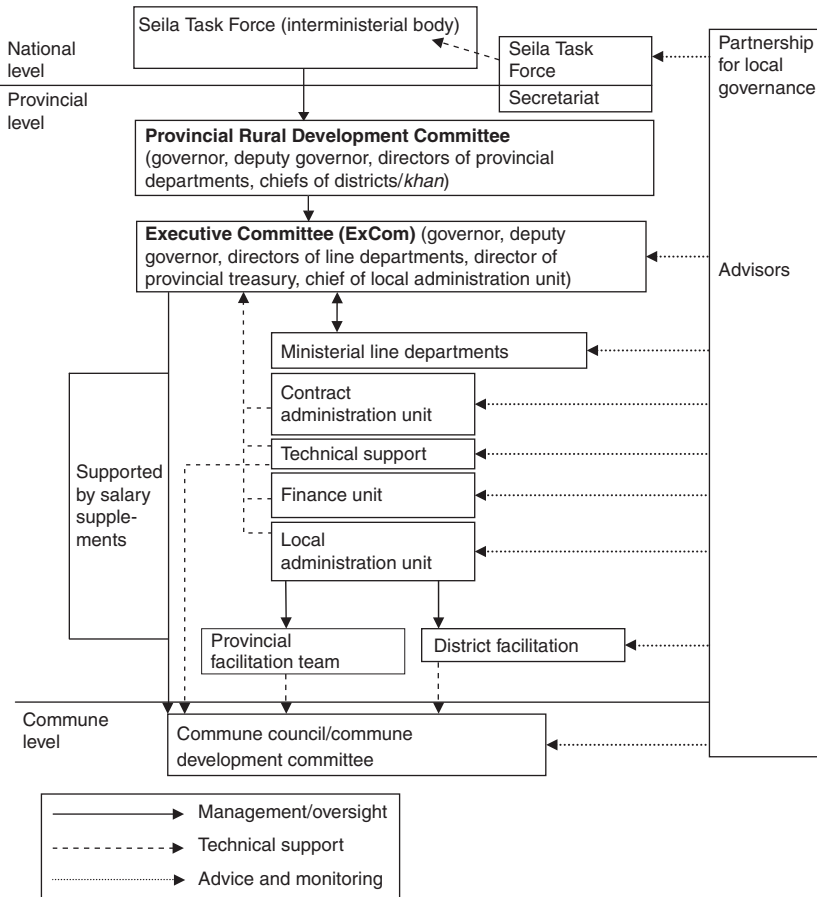
The decentralized governance system that was put in place created government structures at the national, provincial, district, commune, and village levels. Initially, this was done in the four provinces in the northwest where the concentration of refugees was greatest. Subsequently, as the passage of time reduced the saliency of the issue of refugee reintegration and as enthusiasm for Seila grew among donors and within powerful sections of government, Seila was expanded. It now covers all provinces of Cambodia.

Seila consists of a structure of institutions and a set of processes (figure 4.1). The structure focuses on the provincial and commune levels, although it operates under a national task force and reaches through the district level down to the village level. The Seila Task Force, comprising delegates from seven ministries—Economics and Finance, Agriculture, Planning, Rural Development, Water Resources, Women's Affairs, and Veteran's Affairs—is responsible for overall policy making with regard to Seila. It is supported by a national secretariat and is responsible for mobilizing and coordinating aid, allocating funds, and conducting the overall monitoring and evaluation of the program. The secretariat executes the Seila program through contracts with provincial governments and relevant line ministries. It has 20 professional staff members.

The provincial level is the highest level at which planning of projects occurs. A provincial rural development committee is established, chaired by the governor of the province, and including the directors of key line departments within the Ministries of Rural Development, Planning, Finance, Agriculture, Women's Affairs, and Veteran's Affairs and the representatives from districts in the province. The Provincial Rural Development Committee makes overall plans for development at the provincial level, through the Provincial Development Plan, and establishes budgets for the plan with the assistance of a Provincial Investment Fund. Implementation of the plans is the responsibility of the Executive Committee (ExCom), which is chaired by the governor. This committee is made up of the directors of the line departments. It is supported by a secretariat with four units: a contract administration unit, a technical support unit, a finance unit, and a local administration unit, which fields provincial and district facilitation teams to assist in the overall process. The units report to ExCom and deliver services to the commune development committees. Advisors from the PLG support project assist these provincial structures.

The next key level of management of development is the commune level. A commune development committee uses participatory processes



**Figure 4.1 Institutional Structure of the Seila Program**

Source: Adapted from Rudengren and Ojendal (2002), appendix 2.

to develop a commune needs assessment and a commune development plan. This plan is then taken to the district level for an “integration workshop,” during which the various commune plans are coordinated and prioritized and funding is sought, either from the provincial level or from NGOs, donors, or line departments. A small amount of funds is also available directly to communes through the *Commune/Sangkat* Fund. In 2002, when local elections were held in Cambodia, the commune development committee was replaced by the commune council’s Planning and Budgeting Subcommittee, a committee working in conjunction with elected commune councils. In the original Seila provinces, the

community development committees worked with village development committees to establish needs and action plans. However, the election of commune councils and the understanding that the commune level will be the lowest level of government to which decentralization will extend has meant that village development committees must remain informal and be program creations rather than elements of government.

Alongside these governmental structures exists a support structure of advisors and facilitators, originally established as CARERE 2 in 1996. They include a provincial office with its own staff, many of them expatriates. Gradually, expatriates were replaced by national staff, so that by the end of CARERE 2, in 2000, all support staff were nationals. After 2001, the CARERE offices were integrated into the provincial administration. Support to Seila is now delivered through the four secretariat units and through PLG advisors, who support the provincial administration in management, finance, planning, monitoring, local capacity building, and infrastructure as well as in specific sectors, such as agriculture. PLG staff work with the Seila units in the provincial administration to provide support to commune councils and to offer capacity building to provincial staff. There are currently 176 PLG staff working at the provincial level, ranging from 2 in the municipality of Kep to 25 in Ratanakiri Province. The mid-term review of Seila/PLG describes the PLG support staff as “the keystone for the whole support structure.” The staff are described as not merely providing technical advice but also “ensuring sound management, transparency and accountability—in short, good governance” (UNDP/DFID/SIDA 2004, 13–14).

### ***The Seila Process***

The Seila program entails processes at a number of levels. It has developed specific procedures for participatory planning and for management of provincial and commune development. These procedures are codified in manuals for use by local authorities and facilitated by the provincial and district facilitation teams attached to the Seila secretariat in each province. The procedures include both participatory needs assessments and planning processes, which are designed to bring ordinary villagers into the process of development, and transparent mechanisms for the disbursement of funds provided by donors.

The key funds provided at the provincial level are the Provincial Investment Fund and provincial operational budgets, composed entirely of donor funding and consequently “off budget” as far as the national treasury is concerned. Since 2002, a proportion of funds has

also been channeled to the Commune/*Sangkat* Fund, which is financed by external grants and loans and by annual national budget appropriations.

The process of bringing villagers' ideas into contact with donors' money requires an intermediate coordination mechanism, which will allow the provincial level of government to retain oversight over the various projects, funds, and activities pursued at the commune level and to prioritize projects across communes and districts. In an 11-step process, commune councils develop their own three-year investment plans and five-year development plans. They then draw annual priorities from plans, which are submitted to district planning units. At the same time, line ministries at the provincial level prepare their own work plans. All of these plans are brought together at the annual district integration workshop, in which commune, district, and provincial representatives meet, along with nongovernmental and international organizations planning to work in the province. Priorities and distributions of resources are determined, as communes present their needs, line ministries and other organizations select activities to support, and temporary contracts between the two sides are signed. These agreements then feed into provincial and district planning for the year.

Seila has also developed processes for building capacity in order to enable local government institutions to become adept at using the planning and management procedures. An important element of this approach has been the notion of learning-by-doing. The process has involved what one evaluation team described as a leap of faith—the willingness to commit funds to government structures that had not yet proved their capacity to use them in a manner that accorded with donor conceptions of good practice. In the context of early postwar Cambodia, where the state was widely and to a great extent accurately regarded as abusive, corrupt, and politically biased, this leap of faith was unusual among donors. The Seila program gave these state structures the opportunities to reform and, in particular, to become more responsive to their constituents precisely because it gave them funds with which to deliver government services.

The procedures used by advisors under CARERE and subsequently the PLG staff for planning and managing development and for capacity building within government have also been subject to a learning-by-doing creed. Seila has been notable for its flexibility and for its willingness to adapt, experiment, and reform. This flexibility has been built into the program through continuous monitoring and evaluation, both internal and external, and through operational feedback.

## Development Results

The Seila program evolved away from the original CARERE 1 orientation of delivering quick-impact infrastructure and services toward support of poverty alleviation by reforming the institutions and procedures of local government. Analyzing the program's delivered outcomes, then, requires attention to both its impact on poverty alleviation and its impact on local governance. Addressing the question of spillover in this context is problematic, because an early spillover—the changing of attitudes locally and centrally toward appropriate methods of government and the nature of state-society relations—was swiftly adopted as a goal of the program. Furthermore, the program has increasingly been pitched as a framework for experimentation and data collection, which can support wider government policy making. By this means, further spillovers are co-opted as delivered outcomes, making spillovers and intended results difficult to distinguish. Consequently, this section addresses the results of the Seila program in terms of the nature of successes claimed, the impact on poverty and the poor, the impact on local government, and the impact on central government, attempting in each case to illuminate the relationship between intended and unintended outcomes.

Several far-reaching evaluations of Seila have declared the program an unusual success in the Cambodian context. One study concluded that Seila “has succeeded in being a development program . . . while at the same time having a progressive and profound long-term policy impact for the future of public administration and development in Cambodia . . . . Here is an example of how aid always was supposed to work, but in reality rarely did” (Rudengren and Ojendal 2002, 1).

A 2002 evaluation of CARERE 2/Seila (Evans and others 2000) listed a wide-ranging set of positive outcomes, which included these:

- developing and making operational a concept for regional and local planning and development
- making substantial progress toward building sustainable capacity at the province, district, and community levels in five provinces
- visibly changing attitudes toward democratic values and good governance, including increasing the activism, self-reliance, and self-esteem of communities that were formerly passive recipients of assistance
- increasing the responsiveness and self-reliance of provincial and district government staff and strongly influencing central government policy on deconcentration and particularly decentralization

- providing an effective mechanism for approaching former Khmer Rouge communities and dealing with ethnic diversity in pursuit of the government's reconciliation efforts
- delivering essential basic services to needy communities in more than 2,000 villages
- attracting funding from a range of donors

Some of these outcomes are incontrovertible. Seila processes for planning and managing development are being implemented in a number of Cambodian provinces. Seila has attracted funding and passionate commitment from a range of donors, including various UN agencies, the World Bank, the Swedish International Development Agency (SIDA), the United Kingdom's Department for International Development (DFID), Australian Agency for International Development (AusAID), the Danish International Development Agency (DANIDA), and others. Funding channeled through Seila has increased from \$12 million in 1996 to \$23 million in 2003; funding from various donors from CARERE 1 to the end of CARERE 2 also rose (tables 4.1 and 4.2). Some of Cambodia's largest bilateral donors—notably the Japanese and French governments and the European Union—have chosen not to direct funding primarily through Seila.

Other claims of success require closer analysis. Chief among them is the extent of the contribution Seila has made to its overall goals of reducing poverty and improving governance.

### ***Impact on Poverty Reduction and Aid to the Poor***

Seila delivered essential basic service to poor communities in more than 200 villages, an achievement that Evans and others (2000) consider a major success. Between 1996 and 2000, more than \$75 million worth of technical and program support and investments in local services and infrastructure was channeled through the program, by 11 multilateral and bilateral donors, the central government, and NGOs. Since 2000, the scope of Seila has widened to cover the entire country, and more money has been plowed into the system.

Other evaluators have been more circumspect in attributing success in this respect. Rudengren and Ojendal, for example, note that although Seila has provided tangible goods, such as bridges, roads, and wells, to the population, there is little quantifiable evidence to suggest that it has had a quantifiable impact on poverty. Rudengren and Ojendal (2002, 34) conclude the following:

For a major development program on poverty alleviation to not be able to account for quantifiable advances in poverty reduction, after five years of

**Table 4.1 Financial Support to CARERE and Seila, 1992–2001**

<i>Donor</i>	<i>1992–93</i>	<i>1994–95</i>	<i>1996–98</i>	<i>1999–2001</i>	<i>Total</i>	<i>Percent</i>
<b>UN System</b>						
UNDP	4,744,000	7,085,000	17,810,000	4,862,000	34,501,000	33.3
UNCDF	0	0	1,988,000	2,042,000	4,030,000	3.9
UNWFP	0	0	0	2,860,000	2,860,000	2.8
UNHCR	2,627,000	0	0	340,000	2,988,000	2.9
Subtotal	7,392,000	7,085,000	19,797,000	10,105,000	44,379,000	42.8
<b>Bilateral donors</b>						
Australia	0	476,000	0	820,000	1,296,000	1.2
Canada/IDRC	0	0	226,000	100,000	326,000	0.3
Caisse Française	0	791,000	0	0	791,000	0.8
EU	0	0	2,893,000	0	2,893,000	2.8
Finland	449,000	0	0	0	449,000	0.4
Netherlands	1,768,000	3,421,000	6,050,000	4,463,000	15,702,000	15.1
Norway	0	915,000	0	0	0	0.9
Sweden	0	1,459,000	13,436,000	5,653,000	20,548,000	19.8
United Kingdom/ DFID	125,000	0	236,000	950,000	1,311,000	1.3
United States	1,780,000	0	0	0	1,780,000	1.7
Subtotal	4,121,000	7,062,000	22,840,000	11,986,000	46,010,000	44.4
<b>International financial institutions</b>						
IFAD	0	0	0	5,700,000	5,700,000	5.5
World Bank	0	0	0	4,099,000	4,099,000	4.0
Subtotal	0	0	0	9,799,000	9,799,000	9.4
<b>Domestic resources</b>						
Local contributions	0	0	400,000	920,000	1,320,000	1.3
National budget	0	0	0	2,191,000	2,191,000	2.1
Subtotal	0	0	400,000	3,111,000	3,511,000	3.4
Total	11,513,000	14,147,000	43,038,000	35,001,000	103,699,000	100

Source: UNDP 2001.

Note: EU = European Union, IDRC = International Development Research Centre, IFAD = International Fund for Agricultural Development, UNWFP = United Nations World Food Programme.

operation, may seem devastating. This certainly has been controversial, endlessly noted in monitoring reports, and a constant concern of donors. Some more targeted attempts at poverty alleviation for particularly disadvantaged groups have been attempted, but with limited success. The explanation for the relative indifference for more tangible poverty alleviation is, firstly, that the program works on a structural level with state–civil society relations and through addressing issues pertaining to social fragmentation, and is thus only indirectly addressing poverty. Second, small-scale infrastructure investments have received the bulk of the investment budget. Thus poverty is targeted. Third, poverty is an elusive concept—although income level may not have risen across the board in the concerned areas, life has probably become easier (through feeder roads), health is likely to have increased (through better access to water and clinics), or basic education been raised (through more schools being built), and so forth.

Seila was reoriented at an early stage toward governance rather than direct poverty alleviation. The presupposition of the Seila philosophy is the claim that poverty alleviation is best approached by promoting participation, transparency, and accountability in government. Evaluating Seila on its own terms suggests that the best indication of its utility to the poor is the extent to which the poor are empowered by Seila processes and the extent to which the needs they express are met through the Seila system. More broadly, the question is whether the governance approach is an appropriate means of tackling poverty in early postconflict situations.

Qualitative assessments of Seila's impact on village politics and on the extent to which the process offers opportunities for the poor to participate have been undertaken. The findings offer only equivocal evidence of a positive impact. One study, conducted in 1999/2000, concluded that "Seila's impact on local governance is largely determined by local power relations," that where Seila had an effect, it was due to the fact that the program exposed villagers to actors from outside and prompted the emergence of new leaders. The study argued that "Seila can contribute to active citizenship if people are aware of their rights and responsibilities, that Seila can contribute to establishing accountable village representatives with a limited mandate, and that Seila can strengthen commune governance if other actors do not counteract that objective" (Hasselskog, Krong, and Chim 2000, 11). These results suggest that Seila has an effect on state–society relations but that it is highly qualified by incidental factors.

A 2001 study on the impact of Seila on the involvement of civil society in local governance found that villagers were aware of Seila activities in their own village but were less well aware of activities taking place at the commune level, thus limiting their ability to demand accountability from commune-level officials (Biddulph 2001). A 2003 study on the implications of Seila for empowerment of villagers suggested that awareness of the importance of the commune level of government had grown in Cambodian villages (Biddulph 2003, 10). The study also reported widespread participation in planning, along with satisfaction with project choice and anticipation of benefiting from projects implemented. These findings suggest that elites have not captured the Seila process, a finding backed up by other research. However, the empowerment study also found generally low awareness of the nuts and bolts of the planning process, poor availability of detailed information, dissatisfaction among officials with training processes, and some concerns over technical standards that may result from “collaboration between contractors and provincial technical officers” (Biddulph 2003, 7). In other words, Seila has delivered tangible, popular, and useful benefits to villagers, including the very poor, in response to articulated needs, but it has been less successful in delivering transparency, accountability, and, consequently, empowerment with respect to commune, district, and provincial government. This has significant repercussions with regard to local ownership.

A significant finding of these studies is that villagers were much more likely to take ownership of local projects if they had made a financial contribution. The Seila process allows for mobilization of local contributions toward development projects. This finding raises the question of whether the Seila framework’s overall orientation toward the disbursement of donor funds could not have been better linked to the gathering of local contributions and whether a spillover effect of having done so might have raised more urgent attention on the part of central government to issues of revenue raising by local governments.

Another issue is the emergence of a village-based civil society. Arguably, the input of villagers into state planning processes might be more effective if it were channeled through community-based organizations. The participatory planning processes of the Seila program offer opportunities for community-based organizations to come to the table. They also offer opportunities for NGOs to engage in commune-level affairs (through the district integration workshops) and for links to be formed between grassroots organizations and national and international NGOs. Attention has been paid, at least in the original provinces supported by Seila, to forming



and strengthening elected village development committees to represent grassroots community interests. It is unclear, however, whether members of these committees represent a range of village interests and concerns; their relationship with the village and commune authorities is highly variable (Hasselskog, Krong, and Chim 2000). The Seila program did not allocate resources directly to strengthening community-based organizations representing sectional interests. Fostering local interest groups—by offering arenas within which the needs, concerns, and preferences of different villagers can be defined and developed—could improve the quality of planning outcomes.

The relationship between Seila structures and longstanding civil (rather than governmental) authority structures within villages is also unclear. The lack of community-based organizations may have contributed to difficulties in disseminating information about Seila activities and procedures at the village level. Efforts have been made to involve local pagodas—a focus of civil society in rural Cambodia villages—in Seila activities. A 2001 study reported that there had been some success in eliciting the assistance of monks in mobilizing contributions for Seila projects but less success in using monks as advisors or facilitators (Biddulph 2001).

The 2004 Mid-Term Review of the Seila/PLG project partly frees Seila from the need to show evidence of an impact on poverty reduction. The review notes that Seila aims to reduce poverty by improving governance and that the government and PLG donors had agreed that “the Seila program would not produce its own poverty strategy, but instead would define an approach for how to contribute to and strengthen the implementation of the National Poverty Reduction Strategy 2003–05.” (SPM Consultants and Oxford Policy Management 2004, 15). The reviewers note that Seila processes have the potential to be pro-poor. “The modest financial resources that have been provided through the Commune/*Sangkat* Fund, promoted and supported by the Seila program, may be allocated in a way that ensures that at least some of the benefits reach the very poor, though this is far from automatic” (SPM Consultants and Oxford Policy Management 2004, 15).

The report also notes that guidelines for the district integration workshops reflect the strategic objectives of the government’s National Poverty Reduction Strategy, as do guidelines for allocation of Provincial Investment Funds.<sup>3</sup> However, the report notes, decentralization policies are not likely to reduce poverty significantly, because the funds transferred to commune councils are meager and there is little downward accountability.

No quantifiable evidence is available on Seila's overall contribution to economic growth. However, it is clear that Seila has channeled money into useful projects. Cambodia emerged from the civil war with a shattered infrastructure. The provision of basic infrastructure—bridges, wells, schools—is likely to have provided significant benefit to the communities. Qualitative studies suggest that these benefits extended to the very poor (Biddulph 2003).

### ***Impact on Governance***

In line with the reorientation of Seila's approach away from poverty reduction toward improved governance, the conclusions of the Mid-Term Review of February 2004 focus on governance outcomes. The review suggests that successes have been achieved in several areas such as these:

- “relevance . . . [in] contributing to improved governance, service delivery and poverty reduction”
- “effectiveness” in providing technical assistance at the provincial level, although this aid was constrained by a lack of a clear government policy framework determining the powers and functions of provincial governments
- timeliness in implementing program activities
- an “impression” of “significant positive impact on the government's decentralization program . . . less so with respect to promoting deconcentration”
- significant strengthening of capacities and improvement of systems for accountability and transparency

The review also notes a high level of dependence on donor financial and technical assistance support, which is expected to continue for a number of years.

With regard to attitudes and governance, it is difficult to separate the particular contribution of Seila from other motors driving political and administrative change. The Cambodian government has officially stated that it regards Seila as supportive of deconcentration and decentralization. It considers Seila a laboratory in which policies can be experimented with, one that provides a database and a body of experience.

However, there are wider political issues within which any contribution from Seila must be framed. Although already enacted decentralization policies for introducing elected local bodies at the commune level bear Seila's imprint, policies for devolving central government powers to the provincial and district level are still in the earliest stages of development.

Seila's role in this process is unclear. Important actors in the policy-making process are not convinced that Seila should be viewed as the template for wider deconcentration reform.

More problematic is establishing evidence for less-tangible outcomes, such as the sustainability of capacity built at the provincial, district, and commune levels; the democratic attitudes promoted among the population and local government; and the significance of Seila in driving government policy making. Providing evidence for these outcomes—particularly evidence for changing attitudes on the part of government and the population—is difficult, not only because of the intangible nature of these outcomes but also because Seila was implemented in the context of wider political, social, and economic changes over the course of the 1990s.

Analyzing the success of Seila in these cases requires examining the political economy of the situation within which Seila has been implemented, the incentive structures of key actors, and the ways in which Seila has fitted into or transformed them. Such an approach offers insight into the extent to which Seila has had an impact that is likely to be valued highly enough to promote changed behavior and far-reaching enough to prove sustainable over the long run.

### ***Reform of Provincial Government***

The initial impetus for CARERE 2/Seila emerged in response to experimentation under CARERE 1 in the northwestern provinces, which were heavily hit by fighting during the civil war and remained divided into government and insurgent zones until the end of the war. The earliest village development councils and provincial rural development committees were piloted there, under the auspices of CARERE and the Ministry of Rural Development. CARERE 1 developed a close relationship with five provincial administrations, in an environment where provincial governors had recently lost considerable power because of rapid centralization under the terms of the 1993 Constitution. To promote macroeconomic stability, the government has pursued fiscal centralization since 1993, thus depriving provincial governments of revenue. In the northwestern provinces in particular, institutions for managing rural development in the context of ongoing war, the regular displacement of population, and the return of thousands of refugees were not merely lacking but absent.

Seila's success in reforming provincial government emerged to a great extent from this context. Seila was successful because it provided funding and functions to a level of government that had lost its purpose. Provincial governors in the northwest faced a difficult political and economic situation.

They were under pressure from two directions. National reform toward elections and subsequent political instability meant that their positions—and those of their parties—were highly uncertain. Within their provinces, they were under pressure to maintain control of government zones in the face of continued armed insurgency, inflowing refugees and ongoing displacement, and minimal financial flows. Rapid economic reform away from the command economy toward a free market and the centralization of revenue raising had altered the policy context for development beyond recognition. At the same time, inflows of aid were almost uniformly bypassing the state. In the early 1990s, the majority of rural development work in the northwestern provinces was being delivered by NGOs that dealt with local associations as partners. The current governor of Pursat and former governor of Battambang was interviewed for this study and commented, “NGOs used to come here to do projects and we didn’t know about it.” Some reports suggest that a similar situation existed between the provincial governor’s office and the provincial offices of line ministries. The relations between these agencies varied considerably from province to province.

In this context, provincial governors needed to find a way to reassert their authority with respect to other political and economic actors, to legitimize their position with respect to a more politically diverse population through the provision of tangible benefits, to stave off economic disaster and popular disaffection, and to give them some flexibility to react to the unfolding situation. The Seila program—which offered discretionary local development funds, mechanisms for managing them, a role in coordinating nongovernmental development initiatives, and new participatory institutions that could bind villagers to the state—fitted well with the needs of provincial governments. In the CARERE 2/Seila phase, in particular, Seila mechanisms also offered some of the only neutral ground for engagement between provincial administrations and the newly integrated zones that had been administered by insurgents during the civil war. In the two provinces visited for this study, Kompong Cham and Pursat, senior staff members emphasized the importance of Seila in giving the provincial government a role, allocating resources to them, and restoring their authority over other development actors.

This situation was conducive to success from the perspective of both provincial governors and donors. A lack of pre-existing rural development practices, the extreme dearth of local finance, and the strong incentives for cooperation on the part of provincial government gave maximum leverage to donors. As a result, they were able to engage state actors in

intensive training and to insist that detailed mechanisms for planning, procurement, management, and financing be followed. Given the widespread mistrust among donors of the Cambodian state apparatus and its rapidly growing reputation for corruption and politicization, this was an important element in attracting donors to both offer funds to the core of the Seila program and, increasingly, to channel supplementary funding through the Seila framework.

With regard to the possibility of political hijacking or elite capture, Seila benefited from the fact that it began life as a program operating primarily at the provincial level, with small-scale funding. During the early to mid-1990s, the provincial level was much less politicized than the national level of government. During CARERE 1 and the early years of CARERE 2 until the national elections of 1998, the national level of politics was driven by internal tension between the partners in the coalition government, the National Front for an Independent, Peaceful, and Cooperative Cambodia (FUNCINPEC) and the Cambodian People's Party (CPP). The Seila Task Force—the national body managing policy making for Seila—was convened in December 1997, after the July battle in which the CPP defeated FUNCINPEC armed forces and before the return of many of the FUNCINPEC and opposition politicians who fled Cambodia in the aftermath of that battle. Furthermore, even once established, the Seila Task Force lagged behind provincial and local actors who were already driving the program. An evaluation of Seila conducted in 2000 found that the national-level Seila Task Force was the least effective of the various levels of government with regard to their Seila roles (Evans et al. 2000, 2).

Part of the reason for Seila's success has been the fact that it began life below the political radar, at a level of government that was removed somewhat from the heat of political wrangling. Seila's initial disbursements of funds were too small to be the target of attempts at elite capture on a large scale. As one interviewee put it, "By the time the funding had reached a significant level, the accountability mechanisms were in place." Accountability mechanisms are a major issue, given the high level of corruption within the Cambodian state apparatus and the disastrous effect that corruption has had on a large number of donor-sponsored development and resource management projects.<sup>4</sup>

The nature of these successes, however, provokes another question. Given that Seila fitted neatly with the needs of provincial governors, to what extent did Seila actually foster change within provincial governments? A number of evaluations have concluded that Seila has fostered

change, a conclusion enthusiastically endorsed by the governor of Pursat, who asserted, “The Seila program has changed my life.” Proponents of Seila argue that the learning-by-doing approach offered an expression of trust in the state, to which a state hungry for increased legitimacy and the capacity to be more effective eagerly responded (Rudengren and Ojendal 2002). Some people interviewed for this study also suggested that the discretion awarded to state actors over Seila funds increased the sense of ownership. According to one of them, there is a crucial difference in the way that local level officials talk about projects produced with Seila funds and projects delivered by external agencies. “They say, this road is the ADB road, but that road is our road.”

Provincial governments across Cambodia have been implicated in a range of corrupt and abusive activities. One person interviewed for this study quoted a provincial governor as saying, “Provincial governors have two hats, a black one and a white one. When we work with Seila we wear our white hats.” This quote raises the question of how far the response to Seila has prompted spillover into wider governmental attitudes and how far it is simply a response prompted by the particular conditions of Seila funding. This question is difficult to answer. Several evaluations have noted that the attitudes of provincial officials have been transformed by Seila, with provincial government becoming more responsive and self-reliant (Evans et al. 2000, 16; see also Rudengren and Ojendal 2002, 16). But a survey conducted in 2001 among government officials in Seila and non-Seila provinces suggested that there was little difference between them in terms of government officials’ understanding of international definitions of good governance (Holloway and others 2001).

The survey found that Cambodian government officials generally fall short of international standards. It noted, however, that “there are some systems, for example, the Seila program, which have demonstrated that transparency in governance and development is possible at a cost. Officials who work in Seila systems meet this standard” (Holloway and others 2001, 46). This survey suggests that while attitudes toward good governance across Seila and non-Seila provinces might be monolithic, practices are not. The maintenance of such practices is vitally dependent on their continued support and monitoring through the system. Salary supplements and ongoing supervision by PLG advisors represent two examples of support that keep Seila officials on the straight and narrow. But has there been any spillover? Have attitudes changed fundamentally—or just in line with current Seila incentives? Are the

capacities and structures built through Seila sustainable in the absence of this kind of ongoing support?

The business of working through the annual round of Seila planning and management mechanisms has undoubtedly changed the framework within which provincial government operates, making the “white hat” approach to government possible. New institutions have been created, notably the village, commune, and provincial rural development committees, that permit the circulation of information upward from the grassroots and horizontally between provincial government and line departments. Coordination has been facilitated by an increase in mutual understanding of concerns and interests and by the establishment of personal relationships between different actors in the system. Seila funds give the provincial governments the ability to formulate plans and, to a limited extent, a vision of the future development trajectory of the province. As provincial staff in the two provinces visited (Kompong Cham and Pursat) made clear, this formulation expands the independence, authority, and effectiveness of provincial government, and it permits governors to enjoy a sense of job satisfaction and popularity with the people.

Since 1993 the electoral strategy of the current ruling party has been heavily dependent on the ability of the ruling party to raise large sums of money to sponsor politicized, party-owned rural development projects, which are used to garner votes at election times. Provincial governors are required to contribute both to raising the necessary funds, through a range of practices associated with corruption and natural resource exploitation, and to promoting the politicization of much government-sponsored rural development. There is little sign that the ruling party is rethinking this electoral strategy. The continuation of this side of provincial governance casts some doubt over whether the relative transparency and accountability with which Seila operates remains a function of close scrutiny by PLG advisors rather than changed attitudes within provincial government. This question will become acute in the future as Seila processes become further mainstreamed and as the proportion of provincial funding channeled through the processes increases.

Associated with this debate is another over whether Seila has set up parallel structures. Proponents of Seila point to the fact that it is almost unprecedented in Cambodian rural development to work through the state and, in particular, to trust the state with funds. The program’s learning-by-doing approach, which held that state actors had to be given budgets in order to learn how to use them, has been hailed as both revolutionary and progressive. Seila’s advocates also point out that the so-called

**Table 4.2 Financial Support to Seila, 2001–05**

<i>Donor</i>	<i>Seila Program 2001–2005: Donor Financing</i>					<i>Total</i>	<i>Percent</i>
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>		
National Budget – Royal Government of Cambodia	1,447,368	6,017,248	11,312,282	13,041,814	14,959,567	46,778,279	27.5
Multilateral Grants	10,095,820	11,658,737	14,364,690	15,413,768	14,696,596	666,229,611	39.0
UN-Donor Partnership for Local Governance	5,695,820	6,569,647	11,113,516	11,649,684	12,240,223	47,268,890	27.8
UN World Food Program	4,400,000	4,706,090	2,307,210	2,546,845		13,960,145	8.2
UNICEF/Seth Koma		340,000	918,964	1,217,239	2,206,373	4,682,576	2.8
UNDP/DSP					250,000	250,000	0.1
UNV/Community Development in Angkor Park		43,000	25,000			68,000	0.0
Bilateral Grants	1,263,400	2,004,187	3,320,979	4,928,617	3,578,681	115,095,864	8.9
Germany/GTZ	1,113,400	1,700,000	1,905,126	2,056,153	1,110,102	7,884,781	4.6
Australia/AusAID	150,000	150,000	1,022,858	766,634	436,135	2,525,627	1.5
Denmark/DANIDA			392,995	2,105,830	1,232,444	3,731,269	2.2
Japan/Small Grants Facility		154,187				154,187	0.1
Canada/CIDA					800,000	800,000	0.5
Loan Programs	4,964,488	5,033,449	7,769,436	12,004,944	11,296,724	441,069,041	24.2
IFAD/ADESS	1,735,081	2,261,508	1,780,843	1,172,966	756,799	7,707,197	4.5
IFAD/CBRD	2,131,330	2,771,941	2,988,593	4,068,622	2,360,465	14,320,951	8.4
IFAD/RPRP				1,515,156	2,866,860	4,382,016	2.6



International Fund for Agricultural Development Total	3,866,411	5,033,449	4,769,436	6,756,744	5,984,124	426,410,164	15.5
World Bank/RILG <sup>a</sup>			3,000,000	5,248,200	5,312,600	13,560,800	8.0
World Bank/NVDP	500,000					500,000	0.3
World Bank/Social Fund of the Kingdom of Cambodia	598,077					598,077	0.4
World Bank Total	1,098,077		3,000,000	5,248,200	5,312,600	14,658,877	8.6
NGO and Private Sector Grants		292,583	160,000		343,000	795,583	0.5
AustCARE		143,000				143,000	0.1
GRET			85,000		20,000	105,000	0.1
Concern					323,000	323,000	0.2
Private Donation		149,583	75,000			224,583	0.1

Source: Table provided by Partnership for Local Governance (2005).

Note: ADESS = Agriculture Development Support to Seila; CBRD = Community Based Rural Development; RPRP = Rural Poverty Reduction Project;

GTZ = German Agency for Technical Cooperation; CIDA = Canadian International Development Agency; DANIDA = Danish International Development Agency; UNDP = UN Development Programme; RILG = Rural Investment and Local Governance; NVDP = Northeast Village Development Project; blank cells = zero.

a. World Bank reimbursements to CS Fund included under both RGC and WB/RILG but subtracted from total to avoid double counting.

Seila institutions, such as the provincial rural development committee and the commune development committee, are staffed by members of the respective levels of government. The 2004 Mid-Term Review suggested that the question of parallel structures could be resolved simply by “debranding”: Seila structures are called Seila because they were originally associated with the Seila project. Now that mainstreaming has proceeded sufficiently, this notion of separation should be abandoned. Critics have argued that Seila impinges on the mandate of the Ministry for Rural Development and captures rural development funds for capital projects that could be better spent raising salaries and promoting capacity within ministry line departments (Batkin 2001). They argue that Seila is ringfenced, to an extent, from the broader business of provincial government, because many Seila funds are off budget.

With the exception of contributions to the Commune/*Sangkat* Fund’s treasury account, the bulk of Seila funds are off-budget transfers, which are maintained and handled separately from other financial flows, and accountable to donors. However, the deconcentration of functions is likely to bring Seila mechanisms into the heart of subnational financing. Given the notorious politicization of the Cambodian state and the tendency to skim budgets to pay for items such as election campaigning, the delivery of mainstream government budgets through the Seila-type mechanisms will constitute a significant test of the integrity of these mechanisms. Corruption in Cambodia is systemic and institutionalized. The pressure on provincial governments to deliver political support at crucial times runs counter to the Seila ethos and makes it difficult for provincial governors to “switch hats” easily. Seila offers an opportunity for donors to increase their monitoring of government practices and to reorient them toward a more transparent and accountable system. However, given that to a great extent corruption in the Cambodian government forms the basis of the current social and political order, resistance to such monitoring and reorientation can reasonably be expected once Seila is mainstreamed.

Seila staff are currently motivated by the payment of salary supplements. This is regarded as indispensable to ensure “efficient and honest performance” (SPM Consultants and Oxford Policy Management, 2004, 3). A key issue affecting all donor programs in Cambodia is the fact that since 1993, civil service salaries have been so derisory that civil servants frequently spend most, if not all, of their time away from their posts doing other jobs. Salary supplements ensure regular attendance, the essential prerequisite for any kind of institutional functioning. Combined with

ongoing supervision by PLG, they represent the “carrot and stick” used to limit attempts at siphoning off Seila funds. Reliance on salary supplements, however, raises the question of how Seila mechanisms can be mainstreamed. Unless there is a significant increase in civil service salaries generally—something that donors are currently promoting but that the government has resisted—it is unclear how the level of efficiency and integrity currently attained by Seila processes can be continued.

Donors are active participants in and proponents of Seila, particularly through the PLG, although functions initially performed by expatriates have by and large been taken over by national staff members who are paid by donors. Were donor input to decline, it is unclear whether the staff administering Seila processes would continue to retain authority over them or whether the staff or the processes they administer would be sidelined.

In brief, Seila’s successes in terms of governance outcomes are to a great extent the result of the way the program was slotted into the political and economic context of northwest Cambodia in the early to mid-1990s. The program responded to the incentive structures of provincial governments and was able to entrench its own working practices in newly forming institutions within the state. However, close scrutiny by PLG advisors has created a firewall between Seila institutions and funds and other institutions and funds within provincial governments. If this firewall were removed, by either the mainstreaming of Seila processes or a decline in donor interest, it is unclear whether the habits, training, and advantages offered by Seila would trump the systemic and institutional dynamics of corruption that are pervasive in the Cambodian state apparatus. The assertions in the 2004 Mid-Term Review that continued donor support will be required for many years and that PLG monitoring of transparency and accountability are key to Seila’s success suggest that the program’s spillover effects remain uncertain.

### ***Impact on Commune Government***

Seila has played a significant role at the commune level, a level of government that was in significant ways reinvented in the 1990s. The precise role of commune government was unclear in the 1990s and varied from commune to commune. The 1993 Constitution specified the commune level as the lowest level of government, thus removing the village as a legal or administrative entity. In 2002 commune elections were held, replacing the old appointed commune chiefs with new (or in many cases the same) elected commune chiefs and commune councils.

Under CARERE 1 and 2, participatory planning processes were conducted with village-based, elected village development committees. With the election of commune councils, the village development committees have become the central actors in participatory planning. This process makes sense in the context of democratization, because it aligns representation, participation, and accountability within Seila mechanisms with the broader electoral regime. It contrasts, however, with survey findings on the perceptions of voters. Seila's own evaluations have regularly shown that villagers tend to have a strongly village-focused perspective. One study of these attitudes, conducted after the commune elections in 2003, found that villagers were more likely now than previously to suggest that the commune level of government might be responsible for various development activities, representing a heightened profile for commune government. The same study, however, found that most villagers were unaware that there was a commune council or what it did (Biddulph 2003).

Commune government, to a great extent, must be invented. Seila may have allowed commune councilors and chiefs to build on their higher profile following the elections by providing a set of processes to access a Commune/Sangkat Fund for local development. Through participatory planning, commune councils have an opportunity to interact with their electorates and to build accountable relationships with them.

There have been certain difficulties, however, with this approach. A frequent criticism of the Seila program has been that its procedures are time-consuming and cumbersome and tax the capacities of both commune officials and villagers.<sup>5</sup> This is particularly the case when the possibility for funding all aspects of the commune's plans is uncertain. Field visits to Kompong Cham and Pursat Provinces revealed anecdotal evidence of ennui in Pursat but not in Kompong Cham. Both the marginal utility of going through the process of participatory planning (in terms of gaining information about villages and their needs and gaining status and legitimacy in the eyes of constituents) and the marginal utility of the projects delivered in response are likely to decline over time. Set against this, however, is the claim that villagers get into the habit of being consulted on development projects and that this habit is difficult to break once established. Evidence backing up this claim is sparse.

### ***Promotion of Decentralization and Deconcentration***

An evaluation by SIDA noted that "the CARERE 2/Seila program has itself been the catalyst spurring public interest and the government's current policy thrust toward deconcentration and decentralization. It has

done this by creating a model for coordinated planning and development of communes and provinces and demonstrating that it works" (Evans and others 2000, 4). While a clear incentive structure may be prompting the enthusiasm of provincial governors for Seila, the political driving force behind the Cambodian government's wider decentralization and deconcentration policies is less evident.

Decentralization and deconcentration have been on Cambodia's political reform agenda since the mid-1990s. Overall, progress in fulfilling this agenda has been slow. Decentralization took a leap forward with the holding of commune elections in 2002. But subsequent action in devolving significant powers to the commune level and establishing a sound basis for local revenue raising by commune councils has been limited. One person interviewed for this study, a member of the Decentralization and Deconcentration Working Group, described the current mood in government as one of consolidation with respect to decentralization.

Given the landslide victory of the CPP in the 2002 commune elections, it is tempting to regard this effort at decentralization as political opportunism. The replacement of appointed commune chiefs with elected councils was tentatively slated for 1996 but repeatedly postponed. When elections finally occurred, most observers regarded them as a credible step forward in democratization, but it was clear that significant benefits accrued to the CPP by virtue of its increasingly firm grip on power.<sup>6</sup> The elections were well timed and delivered political benefits to the ruling party, and they went some way toward meeting the expectations of democracy promoters at home and abroad. However, studies since 2002 have suggested that the quality of the relationship between villagers and commune authorities has changed since the elections. Studies have noted increased awareness of commune government on the part of villagers, increased accountability of commune authorities to villagers, and cross-party solidarity within commune councils with respect to higher levels of government (Biddulph 2003; Rusten and others 2004; Hughes and Sedara 2004).

Seila's stated role is to provide experience and expertise in support of decentralization and deconcentration policy making. A subdecree issued in June 2001, laying out the role of the Seila Task Force, defines this role as supporting the "design of decentralized and deconcentrated mechanisms and systems to manage sustainable local development" and the undertaking of "human resource development for decentralized and deconcentrated mechanisms and systems implementation within the Seila framework." One key achievement of the Seila program, according

to one person interviewed for this study, is the fact that it offered a safe environment for experimentation and risk taking. In highly politicized postconflict situations, the tolerance for government officials who champion policies that later turn out to have been misguided is very limited. This tolerance militates against innovative and experimental attitudes within government. Seila was useful in advancing the agenda for decentralization and deconcentration because it illustrated that participatory planning and decentralized management of development projects could work without being politically threatening.

Seila undertook a number of activities with respect to decentralization. It funded technical assistance to the National Council for the Support of Communes to develop regulations and guidelines for their use. Donor-financed support through Seila continues to test and evaluate these systems. Seila implemented training courses for commune councils and clerks. It revised the design of Seila structures at the provincial level to transfer responsibilities for commune capacity building to the provincial offices of local administration, established under the Ministry of Interior, taking them away from the Ministry of Rural Development. The Commune/*Sangkat* Fund, which was disbursed to commune councils from the central government as their primary source of funding, evolved from the local development funds piloted by Seila, initially with grants from the UN Capital Development Fund. In these respects, Seila operates as a source of capacity building, piloting, and design innovation, upon which government has drawn in framing decentralization processes.

Deconcentration has been slower to unfold. Some ministries, notably the Ministry of Health and the Ministry of Education, have already deconcentrated their functions to a significant degree. But the overall framework for deconcentrating power and distributing power between agencies at the provincial and district levels has not been established. Several people interviewed for this study put forward sound pragmatic reasons for advancing with caution. One is concern over the viability of communes at their current size, particularly if communes are given revenue collection duties. Another is concern over the capacity of local government and the fear of overstressing Seila/PLG, which has just expanded to cover all 24 provinces and municipalities, without a concomitant increase in the administrative staff.

Substantial disagreements have arisen between national ministries regarding the appropriate nature of future arrangements; some observers have suggested that Seila itself is a bone of contention. At the national level, the Seila Task Force, with its mandate for generating policy for

decentralized government in pursuit of poverty alleviation, overlaps with other agencies established to oversee local government, namely, the Council for Administrative Reform, the National Council for the Support of Communes, and the Department of Local Administration within the Ministry of Interior. This overlap is said to make it difficult to determine who has responsibility for taking the lead in promoting deconcentration policies and formulating organic law. While there may be some overlap at the national level, this overlap is far less the case at the provincial level, where, for example, the Provincial Office of Local Administration—reporting to the Department of Local Administration—is likely to be staffed by the same people as the local administration unit that supports Seila's ExCom.

It is too early to say whether Seila will have a significant effect on the form of the government's deconcentration strategy or what that effect will be, although plans are already being drawn up to determine what kind of role Seila could play. It is clear, however, that Seila is well positioned to play a key role in deconcentration, and it is likely that many of Seila's working practices will find their way into the eventual deconcentration schema.

### ***Overall Assessment***

Measuring Seila's success in terms of delivered outcomes and spillovers is problematic in that the program has tended to reinvent itself in accordance with spillovers as they arise and, in doing so, has moved away from tangible development goals toward intangible ones. While a number of evaluators have been highly impressed by the extent to which the program has promoted changed attitudes on the part of provincial officials, it is difficult to pin this contribution down. Qualitative studies aiming to establish the extent to which Seila has provided intangible goods, such as empowerment and good governance, have tended to find only sketchy evidence. Where attitudes seem to have changed, it has frequently been because a supportive incentive structure has been created (for example, by paying salary supplements to government officials). It is difficult to find hard evidence of sustainable change.

In the short term, Seila has clearly contributed to improved provincial and commune governance. It has created structures for rural infrastructure delivery where they did not exist. Through these structures, Seila has delivered rural infrastructure that benefits the very poor. It has trained thousands of civil servants and elected people's representatives in mechanisms for implementing development projects in a manner that is acceptable to donors and is likely to elicit further funds from them. It has

offered opportunities for provincial governments to regain authority over development processes, following the free-for-all of the early 1990s. Finally, it has created opportunities for donors to coordinate with one another and for all development actors to coordinate with village-produced development plans and to align them with the National Poverty Reduction Strategy. It has achieved all of these things in a manner that is viewed by donors as transparent and noncorrupt. There is some doubt, however, as to the extent to which villagers have been empowered by these systems. The test for Seila will be whether it can maintain its integrity once funding moves on budget, evaluation and monitoring regimes weaken, and support for incentives such as salary supplements tails off.

### **Implications for Design and Implementation**

Seila has succeeded to a great extent by virtue of its flexibility and its ability to mainstream areas in which it has had the most impact, to make incremental shifts over time into new areas, and, in so doing, to continue to provide incentives for government to remain engaged. This success suggests that initial questions of design were less important than the willingness and ability to redesign opportunistically in the light of the changing context.

This conclusion is important in a postconflict society for two major reasons. First, the nature of politics in postconflict societies is such that prominent programs channeling donor funds are likely to be the target of a great deal of local attention, of attempts at co-optation or elite capture of resources, and of contestation for control. Seila avoided these pitfalls by growing incrementally from a modest program in terms of scope and resources into a national program with major implications for the future direction of government policy.

Second, by virtue of a number of fortunate factors—the accumulation of 16 years' worth of UNDP funding for Cambodia and the willingness of particular donors to experiment—the program avoided overmanagement and was able to evolve through experimentation and feedback rather than through the application of a tested methodology for delivering agreed-upon outputs from the beginning. While accountability demands that delivered outcomes be measured, truly experimental programs are constrained only by the need to stick rigidly to initial project documents. The Seila program's willingness to shed goals and adopt new ones makes its success difficult to quantify, but it allowed the program to experiment.



At the same time, the basic themes of the Seila program—learning-by-doing, using intensive efforts at capacity building, are placing high value on engagement with the state apparatus—have been apparent from the start. These aspects of the program appeared risky initially, given the deep distrust of state structures on the part of donors in the early 1990s. With hindsight, however, an appreciation of the dire situation facing provincial governments in Cambodia in the early to mid-1990s suggests that Seila was, in part, successful because it intervened at a level of government where donor-state relations were most inclined toward donors. Strong incentives to cooperate in order to obtain money, training, and authority permitted Seila to establish and enforce exemplary mechanisms for ensuring that provincial governors' experiments with donor funding were kept broadly within the parameters of donors' perceptions of legitimate expenditure. The theme of state engagement subsequently emerged as highly significant to the program's success, especially once political tensions at the national level were reduced. Donors, meanwhile, gained a channel through which both funds and ideas could be coordinated and disseminated to a level that was far more receptive to donor exhortations than the national level, particularly in the mid-1990s.

To a great extent, then, design and implementation were not discrete phases of the program but rather intertwined. The overall project design and the design of individual elements, such as the detailed procedures for planning and project management, changed in response to implementation difficulties and successes as well as to the changing context. Modifications to the initial program included changes in response to donor priorities, as exemplified by the shift from CARERE 1's emphasis on the rehabilitation of vulnerable refugees to CARERE 2's capacity-building focus to the PLG's focus on feeding into decentralization policies for the future. The incorporation of National Poverty Reduction Strategy priorities into Seila guidelines is another example of flexible adaptation. By offering a channel through which donors could convey their concerns to government and responding to changing donor concerns, Seila has maintained its relevance and has come to occupy a central place among donor initiatives in Cambodia.

## Conclusion

Seila is a flourishing program, in terms of its political influence, geographical scope, popularity with donors, and ability to disburse money effectively to small-scale infrastructural projects that have been designed

with input from local people. It has transformed provincial government from complete disarray to a functioning layer of administration, with a vision for development and a certain degree of funding, capacity, and institutional structures to implement that vision. Its success is reflected in the fact that it is increasingly favored by donors as a mechanism for channeling funds to rural Cambodia and that it is increasingly favored by government as an arena within which decentralization and deconcentration policies can be piloted. Whether or not Seila has transformed attitudes among officials and villagers remains unclear, given that the program includes strong incentives for compliance.

Much of the program's success has been the result of its flexibility, its emphasis on learning-by-doing, and its incremental development. These features have allowed Seila both to carve out a niche in Cambodia and to adapt to the context in which it operates. To an extent, Seila's initial success was fortuitous. Its learning-by-doing approach and its focus on process have allowed the program to capitalize on that success by focusing on areas of greatest strength and adapting to the changing focuses of donor and government concern.

Several lessons can be drawn for postconflict contexts from Seila's experience:

- Flexibility and adaptation are as important as initial design.
- Experimentation and the ability to recognize, promote, and capitalize on successful experiments are important.
- Identifying and responding to the needs and concerns of stakeholders are critical to keeping them engaged.
- It is advisable to start with a low level of resources until systems are firmly in place and then to increase them incrementally.
- It is useful to develop close relationships with key political players at all levels.
- Intensive and proactive donor input is needed to keep all actors engaged.

## Notes

1. A *sangkat* is an urban commune, rather like a London borough.
2. In the Cambodian context, the term *decentralization* is used to refer to the creation, regulation, and support of elected commune governments; the term *deconcentration* is used to refer to the codification of an expanded role for

- provincial and district levels of government. It involves delegating activities from the central level and establishing funding mechanisms to support such delegation.
3. The report also notes, however, that the strategies in the National Poverty Reduction Strategy are very broad.
  4. Prominent examples include the Forest Monitoring Project, the Demobilization Project, and the current scandal over the World Food Program's Food for Work Project.
  5. Since 2002, these procedures have been adopted by the National Council for Support to Communes as the mainstream procedures for commune/*sangkat*-level financing and have ceased to be specifically Seila processes.
  6. For example, the role of the national media in the commune elections was a significant bone of contention, as less than 3 percent of news coverage of the elections was devoted to non-CPP parties' activities, compared with 12 percent devoted to the CPP and 75 percent to the CPP-led government (National Democratic Institute 2002).

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