**Country Name:**
Cambodia

**WB Project Involved: Name of Project and Project Code:**
- Rural Investment and Local Governance Project (P071146)
- Local Governance and Development Program (P096505)
- Demand for Good Governance (DFGG) Project (P101156)
- Voice and Action: Social Accountability for Improved Service Delivery (P146160)

**Name and Date of Legislations/Policies:**
- *Law on the Administration Management of Commune/Sangkat* (March 2001)
- *Sub-decree on the Establishment of the “Communes/Sagkats Fund”* (February 2002)
- *Sub-decree on Decentralization of Powers, Roles and Duties to Commune/Sangkat Councils* (April 2002)
- *Strategic Framework for Decentralization and Deconcentration Reforms* (June 2005)
- *First Three Years Implementation Plan (2011-2013) of NP-SNDD (IP3)* (November 2010)
- *Strategic Plan for Social Accountability in Sub-National Democratic Development* (July 2013)
- *Three Year Implementation Plan, Phase II (2015-2017) of NP-SNDD (IP3-II)* (December 2014)

**Description of Legislation/Policy:**
Over the last 20 years, Cambodia has embarked on several major initiatives in relation to decentralization reform. Importantly, in 2001, the Government adopted two watershed Organic Laws: the Law on the Administration Management of Commune/Sangkat and the Law on the
Election of the Commune/Sangkat Council. The Law on Commune/Sangkat Administrative Management has paved the way for implementing reform at the commune/sangkat level. Two consecutive commune/sangkat council elections were organized, in February 2002 and in April 2007. Following the Organic Laws, the Government issued the sub-decrees on the establishment of the Commune/Sangkat Fund and decentralization of powers, roles and duties to commune/sangkat councils. The commune/sangkat government is the lowest tier of official government in Cambodia and includes a commune/sangkat chief and commune/sangkat councils. A primary responsibility of commune/sangkat councils is preparation of the five-year Commune Development Plan (CDP) and the annual Commune Investment Plans (CIPs), which are funded through the Commune/Sangkat Fund.

While the reforms at the commune/sangkat level were being carried out and strengthened, the Government started giving more attention to the district and provincial level from 2005 onwards. The Strategic Framework for Decentralization and Deconcentration (D&D) Reforms, adopted in June 2005, lays out the key characteristic of envisioned sub-national administration, including a unified administration, indirectly elected council, and centrally appointed Board of Governors at the district, municipality, khan (DMK) and capital and provincial (CP) level. The main objective of the reform is to create a sub-national governance system that will operate with transparency and accountability in order to promote local development and delivery of public services to meet the needs of citizens and contribute to poverty reduction within the respective territories.

Within this context, the Government enacted two new Organic Laws to set up a legal framework of a new sub-national government system in 2008: the Law on Administrative Management of the Capital, Provinces, Municipalities, Districts and Khans and the Law on the Election of the Capital, Provinces, Municipalities, Districts and Khans. The law is expected to involve a significant devolution of power from the center to the provincial and district levels in order to improve service delivery (health, education, roads, water and sanitation, etc.) and strengthen the state’s regulatory functions (land, forestry and fisheries). Furthermore, the law stipulates the line ministries to review their own legal and regulatory frameworks to ensure that they are aligned with the Organic Laws. Line ministries are also asked to undertake a functional review process to identify functions for potential devolution to sub-national administrations in accordance with sector priorities and the principles, structures and procedures set out in the Organic Law. In the new sub-national government system, the law explicitly states the district shall be accountable to the communes whereas sangkat is placed under the management of a municipality; a district or municipality shall delegate functions and responsibilities to communes/sangkat. The sub-national government at the district, municipality and khan level becomes the main public service provider at the local level.

The inter-ministerial National Committee for Sub-National Democratic Development (NCDD) oversees the implementation of the D&D reforms as well as to operationalize the terms of the Organic Laws. The NCDD developed the National Program for Sub-National Democratic Development (NP-SNDD), which was approved by the Government in May 2010. The NP-SNDD is a comprehensive local governance reform agenda for ten years (2010-2019). The NP-SNDD is organized around a logical framework and anticipates three broad implementation platforms

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1 The 1993 Constitution stipulates that Cambodia has three main tiers of sub-national administration: capital/provinces; 2) districts, municipalities, and khan; and 3) communes and sangkats. A district refers rural areas whereas a municipality and khan are urban. Similarly a commune is a rural area whereas the sangkat is an urban commune. Until the enactment of two Organic Laws in 2008, only the commune/sangkat had a popularly elected council among these three tiers.
(phases) over the period from 2010 to 2019:

- Phase 1: Establish and institutionalize governing systems and structures at the sub-national and national level that ensure implementation of policies and the effective and efficient delivery of public services by sub-national administrations (SNAs);
- Phase 2: Strengthen and broaden the established system and structures, ensuring that SNAs can adopt and execute local policies that result in improved public services and increased access to public services for women and the disenfranchised;
- Phase 3: Adjust programs and deepen impact by replicating lessons learned and ensuring that the programs correspond to and reflect on new policies and strategies of the Cambodian Government.

The Government has made considerable progress in the formulation of laws and policies to transfer functions and resources to the sub-national government. In June 2011, the Government adopted the Law on the Financial Regime and Management of State Property of Sub National Administrations (known as the Sub-National Finance Law), which aims to create financial sources and sufficient means for sub-national government bodies to carry out local development. In 2014, the Policy on SNA Planning Systems was approved. The policy will promote the autonomy of each SNA to develop plans, manage their own resources and better coordinate planning with other tiers of administration. Though slower than anticipated, progress was made in decentralizing the management of human resources to SNAs, in establishing the Sub-National Investment Facility and in strengthening the legality control systems. The Government established the District/Municipality (DM) fund, created by a transfer 0.8% of the national recurrent revenues to sub-national levels, which are expected to increase to 1% in 2017. These funds support an extensive and active capacity development programs identified by DMs, including organizational development, training, and coaching and mentoring of councilors. Resources, through the CS Fund, equivalent to 2.8% of recurrent revenues have continued to enable Communes and Sangkat to implement their local development priorities.

Some ministries have completed their functional mapping exercises and are making decisions about which functions to transfer to Sub-National Administrations, either permanently or on a pilot basis. For examples, the Ministry of Environment transferred functions and resources on waste management and rubbish collections to SNAs while the Ministry of Education Youth and Sport has planned to transfer functions on community kindergarten and community students. Whereas the Commune Councils have limited responsibilities and resources, the complexities of coordinating and transferring authorities from central line ministries to sub-national bodies requires a careful and phased approach.

Lastly, NCDD endorsed the Strategic Plan for Social Accountability in Sub-National Democratic Development in July 2013 in order to promote citizen engagement. To date, efforts to strengthen accountability under NP-SNDD and legislative frameworks have focused primarily on political and administrative accountability. In order to address this gap in D&D reforms, NCDD worked with civil society organizations and other development partners to develop a framework for action. The Strategic Plan for Social Accountability is jointly implemented by government and civil society, focusing on “rural” areas. Between 2014 and 2017, the social accountability activities will be implemented in approximately 120 districts (about 70% of rural districts) in the country.
Background of CDD Project(s) involvement in Legislation/Policy. Type of TA provided:

Over the past 20 years, various international organizations and bilateral donors have been supporting Cambodia’s D&D reforms. The Seila Program, an aid mobilization and coordination framework for D&D reforms, was launched in 1996. The Seila Program was primarily led by the United Nations Development Programme (UNDP)’s Cambodia Area Rehabilitation and Regeneration Project (CARERE) and later supported by UN multi-donor grants, called Partnership for Local Governance (PLG). In addition, bilateral donors, such as Australia, EU, Germany, Netherland, Sweden, and UK, have provided financial and technical support for Cambodia’s D&D reforms.

The World Bank’s Rural Investment and Local Governance Project (RILGP) contributed to the early development of the block grant transfers (from 2004) and commune planning. Technical assistance for project management and capacity building was provided to the institutions at all levels, particularly C/S level, so that they can implement, supervise, and monitor and evaluate more effectively.

The project also contributed to policy debates and provided the technical assistance in formulation of the NP-SNDD and development of the implementation plan of NP-SNDD, known as the three-year implementation plan (IP3). Various strategic studies were conducted in the areas of D&D reforms, socio-economic impacts, evaluation of projects, monitoring of the quality of TA provided to Commune/Sangkat (C/S). The results from these studies are incorporated into the NP-SNDD and the IP3, establishing policy and institutionalizing reforms for more effective basic service delivery and continuing the process of D&D reforms. In addition, the project provided support in improving the Government’s administration and management systems and procedures related to inter-governmental fiscal transfers, planning, procurement and implementation of local investments. Processes and procedures in RILGP’s C/S Project Implementation Manual are also used in the IP3. The new Local Governance and Development Program (under preparation) will continue to support the D&D reforms.

To date, efforts to strengthen accountability under NP-SNDD and legislative frameworks have focused primarily on political and administrative accountability and lagged in effective community participation. In order to address this gap, the World Bank assisted the Government to develop the Implementation Plan for Social Accountability (ISAF) in close consultation with civil society organizations. The ISAF defines complementary roles and requires joint action by both government and local civil society.

Background Documents:


NCDD. 2015. 2015 NCDD Annual Work Plan and Budget of the IP3 Phase II. Phnom Penh: NCDD.


Email exchanges with Janelle Plummer, Senior Governance Specialist, World Bank, and Susan Wong, Global Lead for Community Driven Development, World Bank

Updated: June 22, 2015