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### Research Note on Decentralization and De-concentration Reforms in Cambodia

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## Abstract

Cambodia has started its decentralization reform since 2001. Interestingly and not like other countries, this nation began the decentralization at the lowest tier government and then expanded to the whole sub-national administrations (SNAs). Furthermore, the decentralization implementation in this country is not full-fledged. Since decentralization is categorized into three dimensions which are political, fiscal and administrative decentralization; therefore, this paper looks at the strengths and weaknesses of decentralization reform against these three categories.

Firstly, political decentralization, there are elected councils at all tiers of SNAs both directly and indirectly as representatives of local citizens. However, their accountability is limited by many external factors which require more interventions. Secondly, the fiscal decentralization, the budget allocated for SNAs is increased from year to year, but SNAs rely much on the inter-governmental transfer of central government only. SNAs have not been provided much authority for more sources of revenue. Lastly, the administrative decentralization has been improved as the local elected bodies have the authorities to appoint, change and terminate not only staff at SNAs, but also other civil servants at provincial/district line ministries. Nonetheless, the central government needs to ensure SNAs manage the personnel through the fair performance assessment system to avoid nepotism.

**Keywords:** Decentralization, De-concentration, Sub-National Administration

## 1. Introduction

The world political and economic changes have drawn attention of governments in the developing countries to decentralization (Smoke 1993: 901). Decentralization was suggested by many academics and practitioners as an approach to improve the government's performance in contribution to economic development (Smoke et al 2006: 3). Furthermore, decentralization have promoted the public service delivery as the government services are brought closer to local people through the lower tiers of government based on principle of subsidiarity.

However, the practices of decentralization could be flawed if it is poor designed or trying to do many things fast (Smoke et al 2006: 4). There is no clear-cut policy, guideline or practice on how

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decentralization is effectively implemented. The strategy implementation could be different from one country to another. “Decentralization is a dynamic process. No country ever get its right on its first try or even its second, or third. Circumstances change, and the nature and design of intergovernmental fiscal relations should change also.” (Bird 2000: 21).

Cambodia has applied Decentralization reforms since 2001. Its implementation was seen different from other countries as it started decentralization practice first at the lowest tier of sub-national government which is commune/Sangkat (CS) administration, and then the reforms have been extended to the whole sub-national administrations (SNAs) nationwide in 2005 after decentralization and de-concentration strategy framework was approved by Royal Government of Cambodia (RGC).

There were a lot of studies about decentralization in Cambodia, but most of them mainly paid more attention on implementation at CS or district level (Thon et al 2009; Öjendal and Kim 2011; Kim et al 2012; Comfrel 2013; NDI 2012; ADB 2013; EIC 2010; Chheat et al 2011). Those studies mainly focus on some performance indicators such accountabilities, responsiveness, gender, participation, local development. Or, some studies only investigated in fiscal decentralization (Pak 2011; Wright 2007; APCoP 2012). According to Work (2002: 8), to evaluate the degree of decentralization practices of each country, three dimensions needs to be looked at: political, fiscal and administrative decentralization. However, the above studies have not emphasized on the decentralization progress in Cambodia against the three dimensions of decentralization.

Furthermore, Cambodian decentralization is on the transitional period. The program of Decentralization and De-concentration (D & D) reforms will be completed through the implementation of the 10-year-National Program for Sub-National Democratic Development 2010–2019 (NP-SNDD). The implementation of NP-SNDD is divided into three stages. The First 3-Year-Implementation Year Plan (IP3–1; from 2011–2013 and extended to 2014). Now NP-SNDD is on the second stage which is The Second 3-Year-Implementation Plan (IP3–2; from 2015–2017).

This paper will examine the practices and the progress of decentralization reforms in Cambodia against the three dimensions of decentralization at all three tiers of SNAs in Cambodia and how far it has been achieving compared to NP-SNDD. Furthermore, it will look at the issues and challenges of the implementation and what would be the next step for D & D reforms in this nation.

## **2. Decentralization History in Cambodia**

### **2.1. The Territorial and Governmental Structure of Kingdom of Cambodia**

Referring to the Constitution of Kingdom of Cambodia, Cambodia’s territory is formed by Capital and Provinces. Capital is then split to Khans, and a Khan is comprised of Sangkats. Province is composed of Districts and Municipalities, where a District is split into Communes and Sangkats and a Municipality is comprised of Sangkats.

Also, Kingdom of Cambodia is democratic country with multi-parties. Three branches are separated including legislative, executive and judiciary branch. Legislative here refers to bicameral parliament which includes National Assembly and Senate. The judicial branch is divided into 3 tiers which are capital/provincial court, Appeal Court and Supreme Court.

## **2.2. Decentralization after the Civil War**

Cambodian economy was spoiled by the civil war for more than two decades and most of infrastructures were damaged; therefore, the priority task of the RGC after the first national election in 1993 was country rehabilitation and economic development to reduce poverty.

There were tremendous efforts through developmental programs after the first national election in 1993. Suffering from the civil war, Cambodian development has heavily relied on the international Official Development Assistance (ODA). The United Nations for Development Program initiated the project known as Cambodia Reintegration and Rehabilitation (CARERE) Phase 1 as a pilot program from 1994–1996 in 4 provinces at Cambodia and Thailand border (Evans et al 2010: 2).

Followed the CARERE Phase 1, RGC initiated Seila<sup>1</sup>Program in 1996 and this program was supported by CARERE Phase 2 till the mid of 2001. At the same year, UNCDF has introduced Local Development Fund (LDF). This fund was transferred to lower tiers of governments to respond the local priority needs through the local planning (Comfrel 2013: 3). This actually was designed to test decentralization in Cambodia.

From the experience of Siela Program, Cambodia has moved another historical step; that is, decentralization through local democracy at Commune and Sangkat level. The Law on Administrative Management of CS (LAMCS) and Law on CS election were adopted in 2001 paving the way to have elected council members as leaders of CS administration from the different political parties. The leaders at CS administration are no longer appointed; those council members are directly elected by the people in the jurisdiction held in every five years. The elected CS councilors are required to promote good governance and manage the resources available autonomously to respond to local people's needs and to serve for the interests of the people and nation.

Sak (2008: 1) indicated that gaining significant achievements from the decentralization implementation at CS levels, it has provided impetus to the RGC to extend the decentralization implementation not only at CS level, but also other tiers of SNAs. As such, the RCG approved the strategic framework for D & D in 2005 to establish the Unified SNA.<sup>2</sup> After D & D strategic framework was approved in 2005, a steering committee for leading D & D reforms in Cambodia was established named the National Committee for the Management of Decentralization and De-concentration Reforms (NCDD).

Subsequently, the Law on Administrative Management of Capital, Province, Municipality, District and Khan (Organic Law) and Law on Election of CP and DMK Council were adopted in 2008. Followed

that, CP and DMK councilors were first indirectly elected in 2009 and become a legislative body at CP and DMK administration<sup>3</sup>; where the executive body is led by board of governors (BoG)<sup>4</sup> appointed by central government. The BoG is accountable for both councils and RGC. In the light of this, councilors are the representatives of local citizens to decide on budget and developmental planning in the jurisdiction, where the BoG implements the decisions made by the councilors. At the same time, NCDD has completed its mandate after Organic Law came into force; then a new of National Committee for Sub-National Democratic Development replaced the old NCDD. The new committee<sup>5</sup> has led the D & D reforms to date.

### **3. Practices and Achievements of D & D Reforms in Cambodia**

The name of decentralization strategy reforms in Cambodia is D & D strategy framework. This reflects that the decentralization in Cambodia is to be implemented in the manner of both decentralization and de-concentration together. Generally and theoretically speaking, decentralization is implemented in three different forms which are de-concentration, delegation and devolution. White (2011: 2) defines de-concentration that central ministries or institutions share responsibilities of the specific services to their administrative branches (field offices) without giving authorities, whereas delegation exists when responsibilities or public functions for decision making are transferred to local government from central agency, but the local government is still required to be accountable to the central agency which transfers those responsibilities and functions. White (2011: 2) continued that devolution is considered as the strongest form of decentralization. It happens when the local government is transferred with authorities, resources both finance and human from central government to manage autonomously.

In the context of Cambodia and according to the Organic Law 2008, two terms are reflected in the lexicon of the law, namely decentralization and de-concentration. Decentralization refers to the central government provides the ownership to the sub-national councils on functions, resources and authorities to enable the sub-national councils to respond to local needs. Whereas, the de-concentration means that “The RGC, ministries or institutions delegate functions and resources to their lower unit or to one of the council categories to implement on behalf of RGC, ministries or the institutions. The unit or the council shall be accountable to the RGC or ministries, institutions in accordance with the requirements of delegation.” (Cf. Law on Administrative Management of DMK and CPs enacted in 2008). Based on this definition, the decentralization in Cambodia refers to devolution, where the de-concentration means both delegation and de-concentration itself. This distinction suggests that law makers distinguish clearly between what they call decentralization (D) and de-concentration (D).

Furthermore, decentralization is categorized into three: political, fiscal and administrative decentralization (Work 2002: 8 and White 2011: 2). Administrative decentralization means that central

government moves its agents to the SNAs (Crook & Manor 2000: 1) and fiscal decentralization refers to fiscal authority that central government transfer local elected government to decide on their fiscal revenue and expenditure (Bahl, 2008: 3). Finally, the political decentralization refers to the political function of SNAs as the representatives of their local citizens (Schneider 2003: 33). The political decentralization has a purpose to provide the opportunity to local citizens and their elected representatives in making decision for any interests related to them (The World Bank Group)<sup>6</sup>. Now we analyze the situation of three categories of decentralization in Cambodia.

### 3.1. Political Decentralization

Now the CS council election has been held for 3 times already (2002, 2007 and 2012). The council members are from different political parties. The elected councils are the representatives of local citizens and accountable to citizens. Notably, the CPP took over the total seats more than 68% and the chief of commune councils<sup>7</sup> has been more than 97% since the first term till the third term.

The council election of CP and DMK is indirect one. Since 2009, the CP and DMK election were held twice already (2009 and 2014). Since these councilors are elected by the CS councilors, the results of CP and DMK councilors mostly are in proportion to the existing number of CS councilors from each political party. For both terms, CPP still overwhelmingly controls the CP and DMK councils. For the first term (2009), CPP controlled 79% of total seats, whereas in the second term, it won 76.41% of total seats. The main opposition party SRP got 18% in 2009 and CNRP won 23.01% in 2014.

**Table 1 Proportion of Seats of SNA's Councilors by Party and Year.**

Party	Seats of CS Councilors (%)			CP and DMK Councilors (%)	
	2002	2007	2012	2009	2014
CPP	68.40	70.40	72.41	79.00	76.41
SRP	11.58	23.42	18.82	18.00	N/J
FUNCIPEC	19.63	2.41	1.31	1.88	0.54
HRP	N/F	N/F	6.99	0.00	N/J
CNRP	N/F	N/F	N/F	N/F	23.01
Others	0.39	3.77	0.47	1.12	0.04

Note: N/F means Not Yet Formed; N/J: Not Joined.

CPP: Cambodian People's Party. It is a ruling party in Cambodia for now.

SRP: Sam Rainsy's Party.

FUNCIPEC: The United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia. It is a royalist political party.

HRP: Human Right Party.

CNRP: Cambodian National Rescue Party: A merged party between SRP and HRP. It is a main opposition party now in Cambodia.

Source: Comfrel and National Election Committee and Commune Council Database.

It could be concluded here that since the initiation of decentralization reforms in Cambodia, ruling party has controlled the majority of sub-national council’s seat.

### 3.2. Fiscal Decentralization

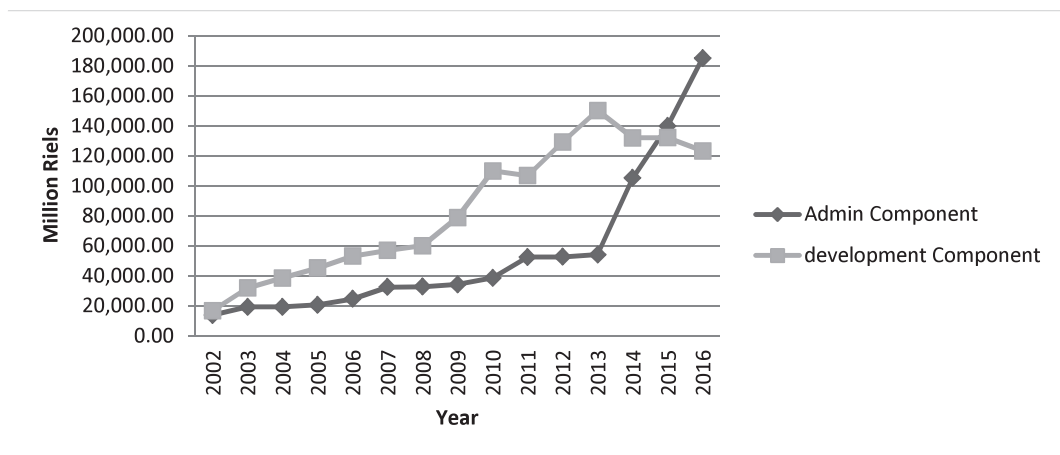
Since 2002, the CS Fund was established as an inter-governmental transfer mechanism, a direct budget transferred from central government to CS administration nationwide and it is also the main revenue for each CS administration. This CS Fund is divided into two components namely administration and development component (RGC 2002). The annual transfer of CS Fund has been increasing gradually from year to year. According to Ministry of Economy and Finance of Cambodia, comparing to the national current revenue, CS fund has steadily moved up from 1.5% in 2002 to 2.80% in 2016.<sup>8</sup>

Since 2002, as indicated in Figure 1, the trend of administrative component of CS Fund has increased steadily from 2002 to 2013, but from 2013 to 2016, the trend of administrative component has sharply increased more than triple from 54,107 million riels in 2013 to 185,119.24 million riels in 2016 (MEF 2002–2016). This will be analyzed in the next section. Meanwhile, the developmental component went up steadily from 2002 to 2013, but the trend was seen going down from 2013 to 2016.

In 2011, The Law on Financial Regime and Property Management of SNAs was adopted. This law aims to establish financial sources for SNAs (SNAs in this law refer to DMK and CP administrations) to have the potential capacity for undertaking development in their jurisdictions.

As another main achievement for D & D reforms, DM Fund was established in 2012 which is another inter-governmental transfer for districts and municipalities to enable these administrations to be more autonomous from provincial administration. For Khan, its budget is still under Capital budget. Before DM Fund establishment, the DM’s budget was under the provincial administration

**Figure 1 The Trend of Administrative and Development Component of CS Fund from 2002–2016.**

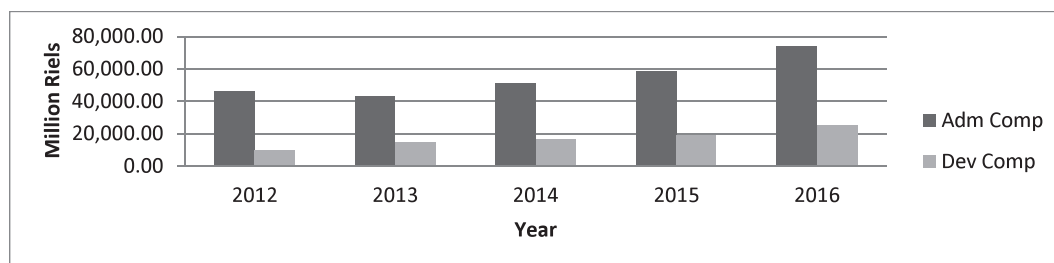


Source: Annual CS Fund Allocation by Ministry of Economy and Finance

only. From 2012, DM administration is considered as budgetary level, it has its own budget to manage the operation and development in their jurisdiction (RGC 2012).

DM Fund is like CS Fund; it is divided into two components which are administrative and development component. The DM Fund has increased steadily. Compared to national recurrent revenue; it was 0.8% in 2012 and 0.9% in 2016. The Figure 2 demonstrates the administrative fund are probably triple more than development component from the beginning; that is, about 70% of DM fund has been spent for salary and operational costs.

**Figure 2 The Trend of Administrative and Development Component of DM Fund from 2012–2016.**



Source: Annual DM Fund Allocation by Ministry of Economy and Finance.

### 3.3. Administrative Decentralization

According to LAMCS in the article 42, CS councils also serve as agent of central government to implement some functions. So far, CSs implement some functions in the name of the central institutions which include civil registrations (birth, marriage and death) for Ministry of Interior, updating voter registration for National Election Committee. Furthermore, at the CS administration, there is only one clerk appointed by the Ministry of Interior (MoI) to support the daily work of the CS. In addition, the CS council can appoint other staff to help at village level.

Under CP and DMK council, there is a board of governors as executive head at CP and DMK administration to implement decisions made by councils.<sup>9</sup> The council is entitled by Organic Law to have a legislative authority to issue by-law which is a legal regulation enacted by the councils. The BoG is appointed by the central government through the proposal from Ministry of Interior, based on the Organic Law 2008.

Before 2013, all the staffs at CP and DMK administration are civil servants appointed and terminated by Prokas of Minister of Ministry of Interior; but after Nov 2013, RGC has issued a sub-decree on delegation of Legal Power to SNAs to Appoint, Change and Terminate the Duty of Civil Servant at SNA. This sub-decree has been seen as another turning point of decentralization, especially administrative decentralization, as the power of the appointment, change or termination of the sub-national administration staff are given to the SNAs. It is not only applied to staff under CP and DMK



administration, but also applied to civil servants under provincial line ministries departments and sector offices at CP and DMK's jurisdiction respectively as described in Article 11 of the above sub-decree.

One of the goals of D & D reform highlighted in the NP-SNDD is to improve public services and bring service closer to the local people (NP-SNDD 2010: ix). As such, some public functions of central ministries/institutions will be transferred to SNAs. Currently, some functions are transferred from central ministries including the ministries of rural development, social affairs and youth rehabilitation, education, environment and health to some districts and municipality administrations within some provinces, not nationwide. It is at the initial step of functional transfer (NCDD 2015: 21). Once the function from central ministries is transferred to local government, the staffs of the ministries have to be transferred too to continue to perform the functions transferred.

Aligned with D & D reforms, currently, there are 40 DMKs implementing the One Window Service Project (OWSO). The main purpose of this project is to promote the quality of the public service deliveries to citizens. DMKs implementing this project are required to set up two more offices which are OWSO and Ombudsman Office. OWSO is a collective administrative service office to deliver to people via a single channel, and it is divided into two other offices. The first is front office which has a role to provide information, give and receive forms, and return the final services to citizens (MoI 2008: 5). The second is back office; this office contains agents from provincial/district line ministries of central ministries or institutions to work at OWSO (MoI 2008: 5). Also, there is ombudsman having role to receive any complaints related to performance of OWSO, independent from DMK administration. The chief of this office is elected by special committee at DMK containing all DMK councilors, 3 representatives from local businessperson, 3 representatives from NGOs (MoI 2008: 6).

## **4. Discussion**

The D & D reforms have gone through a lot of achievements after the civil war. Simultaneously, the issues and challenges have also emerged which needs to be address continuously. The following analysis will discuss the three dimensions of decentralization to see the current strengths and weaknesses on decentralization in Cambodia.

### **4.1. Political Decentralization**

Political decentralization in Cambodia has been considered as the model of democratic decentralization, because there are elected councils at all tiers of sub-national governments no matter direct or indirectly elected. They are given autonomy to manage their own resources for their respective jurisdictions. Since 2002, it has been observed that the ruling party has controlled most of the councilors' seats at sub-national administrations. One of the reasons was indicated by

Comfrel (2013: 7) that it was hard for other parties to find suitable candidates in community level and experience with administrative and development task for competing with candidates from CPP. Candidates from CPP are usually those who were experienced in the position at CS administrations before decentralization implementation.

The political capacity of all councilors as representative of the citizens at SNAs is observed to be influenced by political parties, since the election system for sub-national councils is close-list proportional representative system; therefore, the councilors will be accountable not only to the constituents but also to their parties. Also, the councilors can lose their seats if they lose their membership of the party.<sup>10</sup> On the other hand, the commune councilors are still dominant by mindset of hierarchy authorities; they are sometimes accountable to those who used to be their superior before decentralization reforms started in 2002 (Comfrel 2013: 6; NCDD 2011: 26). This mindset not occurred only in commune council, but also in CP and DMK councils.

Citizen's participation is the core principle in D & D reforms in Cambodia (RGC 2005: 5), but the participation of citizens in decision-making process remains limited; even though there have been a lot of dissemination efforts on roles of citizens in decision-making through decentralization reforms, especially to those who are marginalized group of people such as the poor, youth and ethnic minorities in raising their issues to be included in the CS's development planning (NCDD 2010: 26). On the other hand, the quality of participation in the local governance meetings of CS council is poor; their participation during those meeting is passive—not many citizens reporting that they raise ideas during the meeting (EIC 2010: viii).

As mentioned above, the political decentralization needs to be improved in order to enable the local political actors to perform their roles as representative of citizens and to be accountable to their respective citizens. RGC has recognized that the SNA council's accountability issue; therefore, the accountability strengthening of SNAs becomes the main outcome of the implementation plan 2015–2017. It will look at accountability between BoG and Council, SNA's Council and citizens, and SNAs and RGC and central ministries/institutions (IP3–2–2015–2017: 33).

In the future, firstly, CP and DMK council election should be done by direct election to make those councilors clear with their accountability. Secondly, to increase individual accountability of each councilor, the electoral system of close-list proportional representative should be changed to open-list proportional representative. So, citizens can vote for both party and their favorite councilors. Thirdly, mechanism to oversight and protect the councils from power abuse should be set up. If there is power abuse on the council's authorities against the law, the legal measures should be taken to protect them.

At national election in 2013, youth was observed to be more active than other previous terms, and the result made the ruling party not having landslide victory as the election in 2008. This reflects the main roles of youth in political change in Cambodia. Since the proportion of young people from 15–29 is the largest which equals to 30% of total population and will increase to 40% in 2020,<sup>11</sup> so political

party should involve youth in sub-national councils. Involving youth in the sub-national council elections can probably be the good strategy to increase diversities of potential sub-national council candidate and competition among political parties.

#### 4.2. Fiscal Decentralization

The SNAs' budget has been increasing from year to year. This reflects the commitment of RGC in advancing D & D reforms. Furthermore, the budget of SNAs compared to national budget is also increasing from 6.19% in 2012 to 7.5% in 2016. Nonetheless, this percentage is rather small compared to OECD countries in which spending for local and regional government is about one third 33% of total government spending Global Taskforce 2015: 4, while in Thailand, the share for local autonomous bodies to national revenue is at least 35% JICA 2001: 61

**Table 2 Sub-national Administration Budget from 2010—2016 in Million Riels**

Budget \ Year	2012	2013	2014	2015	2016
CS Fund	181,990	204,418	237,266	271,954	308,410
DM Fund	56,620	58,405	67,790	77,701	99,132
CP budget	427,830	502,205	640,838	753,940	914,635
Total of Sub-National Administration Budget (SAB)	666,440	765,028	945,894	1,103,595	1,322,177
Percentage of SAB in National Budget	6.19%	6.41%	6.92%	7.29%	7.5%

Source: Ministry of Economy and Finance and Budget law from 2014 to 2016.

Separately, the CS Fund is seen as a small budget, because in average each CS can implement not more than two projects investment by using the developmental component fund. This problem can also cause low local citizen's participation in the local development process, because their demands have not been satisfied due to insufficient finance. Furthermore, administrative fund for both CS and DM is more than developmental fund. The goal of D & D reforms is to bring the public services close to citizens and promote local development contributing to poverty reduction, so if the trend of developmental component is not responding to the increased needs of citizens, it will effect to D & D policy.

The trend of fiscal budget for the SNAs moves in this direction probably due to the parliamentary election results in 2013 that made CPP lost seats remarkably compared to parliamentary election's result in 2008.<sup>12</sup> One of the main reasons that made the above election result is due to poor performance

of public service delivery. A lot of critics on this issue have been observed through the social media. This probably made the ruling party to increase salary<sup>13</sup> for its members at local councils to motivate them to be friendly public service provider.

According to Bahl (2008: 4), there are three components of fiscal decentralization including expenditure assignment; revenue assignment and inter-governmental transfer to enable the SNAs to have a good fiscal autonomy. So far, most of revenue source of SNAs CS and DM mainly rely on the inter-governmental transfer (CS Fund and DM Fund) as non-conditional grant. According to the article 74 of LAMCS, CS has the levying power on local tax and non-tax collection; however, since 2002 CS cannot obtain the authority to get this happen till now. This issue happens not only to CS administration, but also to DM administration. Furthermore, on the expenditure assignment, Bahl (2008: 11) describes that the expenditure assignment will be based on the functional transfer from central ministries or institutions. Once the function is transferred, the budget (conditional grant) will go with the function too; that is, “finance will follow functions” (Bahl, 1999: 7) which enables SNAs to implement the functions. However, in Cambodia, most of functional transfers in devolution forms are only in the pilot period. The current transfers are more de-concentration manner (for CS and DMK).

Power for local taxation collection and functional transfer for SNAs should be the next steps of RGC in the effort to improve fiscal decentralization in Cambodia, which could also be a further research topic. This is consistent to IP3-2 as it focus on functional transfer from central governments and the own source revenue of SNAs.

#### **4.3. Administrative Decentralization**

As mentioned above, administrative decentralization means that central government moves its agents to the sub-national administration. Currently, each of CS administration has only one formal staff, CS clerk, and working as secretary of CS council, but this staff is appointed by Ministry of Interior. Main decision makers at CP and DMK; that is, BoGs are still appointed by central government, which make them more accountable to central government than their elected councils.

Also, the staff movement from provincial line ministry department and district offices at DMK to be under authorities of DMK administration has been observed through OWSO. The practice of OWSO is implemented as delegation, which are the transferred specific services from central agency. During the mid-term evaluation for first pilot project, it was provided with high degree of satisfactory from citizens; that is, in responding to the question how was OWSO, 30.8% answered “very good” and 55.8% answered “good” (MoI 2008: 6). However, OWSO is not implemented at all DMK; only 40 among 197 DMKs have been set up (GDA/MoI 2016).

However, through sub-decree on the Delegation of Legal Power to SNAs to Appoint, Change and Terminate the Duty of Civil Servant at SNA by end of 2013, administrative decentralization is observed to be improved, because the elected councils now has more power in personnel management to be

accountable to them and citizens. However, the central government needs to ensure the personnel management of SNAs will be implemented on fair and transparent manner; otherwise, nepotism at SNAs will appear and could result in spoiling the reforms; that is, the promotion, termination and change must be on staff performance through the fair performance evaluation. This will be also the next assignment for RGC for the improvement of the reforms.

## 5. Conclusion

Since 2002, Cambodia has tried its best efforts to promote the decentralization reforms. Although, the decentralization reforms were first driven by donor agencies, later on there has been commitment from RGC itself to get decentralization reforms to achieve its goals. It is observed that the decentralization is implemented in D & D manner.

In terms of political decentralization, it is implemented in more democratic manner by having elected councils from different political tendency. Since the councilors are from different political party, it will ensure the accountability and transparency of sub-national administration's performance. However, there are some external factors that influence on accountability of elected councils. So, there is a need for accountability strengthening of councils and central government needs to protect SNAs' elected councils from power abuse to enable their roles and responsibilities mandated by law and regulations.

On the other hand, RGC has made a lot of progress on the fiscal decentralization. However, the fiscal autonomy for sub-national administration is still limited. The sub-national administration's revenue is not sufficient; they mainly rely on inter-governmental transfer. Unless the sub-national administrations do not have a full fiscal capacity, they will not be able to perform the tasks to be accountable and responsive to the local people's needs, and it will not achieve the goals of D & D. It can be improved through making them with own source revenue by giving power of local tax collection.

It is assumed that the administrative decentralization in Cambodia has been improved, especially after the sub-decree on the Delegation of Legal Power to SNAs to Appoint, Change and Terminate the Duty of Civil Servant at SNA by end of 2013. This sub-decree has enabled the local elected bodies has more power to control and manage staff not only at sub-national administrations, but also other staff of provincial line ministry departments and sector office at DMK. Doing this will make other technical staff to be accountable to elected bodies; in turn, the elected councils can be more responsive to the citizens' needs in jurisdiction which is conformed to D & D policy.

Decentralization in Cambodia is not full-fledged; it is on the transition period. It has required more efforts to achieve its goals in improving public service delivery and promoting economic development and local democracy.

## Notes

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- 1 Seila in Khmer Language means stone.
- 2 Based on Organic Law, Unified Administration means the management structured with elected councils at SNAs to have ownership in managing their resources autonomously to respond to the local citizens in their respective jurisdiction.
- 3 CP and DMK councilors are elected by CS councilors, not by local citizens. The CP and DMK election is held in every five years.
- 4 Board of governor refers to governor and deputy governors
- 5 The new committee still has the same abbreviation which is NCDD.
- 6 The World Bank Group, available at: <http://www1.worldbank.org/publicsector/decentralization/political.htm>. Accessed: 08 December 2015.
- 7 The Chief of CS council is the candidate at the top of party list that gets most votes.
- 8 The Sub-decree on Transferring National Budget to Commune/Sangkat Fund 2007 stipulates that CS Fund shall not be less than 2.80% of National Current Revenue from 2010.
- 9 The approval decision is subject to 50% + 1 of whole number of councilors at each SNA.
- 10 This statement is stipulated in both LAMCS and Organic Law.
- 11 This was stated by Cambodian Prime Minister during Closing Remarks of the Fifth University Scholars Leadership Symposium in 2014 via website: <http://www.akp.gov.kh/?p=49528> retrieved on 12 January 2016.
- 12 CPP lost seats from 90 in 2008 to 68 in 2013 in parliamentary election.
- 13 The salary of sub-national councilors is allocated in the administrative component of CS and DM Fund.

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## Appendix

### Main Laws and Regulations Supporting D & D Reforms in Cambodia

N	Laws and Regulations	Purpose	Year adopted/ approved
1	Law on Administrative Management of CS	Sets out the administrative management framework for CS in compliance with the decentralization policy	2001
2	Law on CS Council Election	Set out the procedure to elect councilors for CS administration.	2001
3	Sub-decree on the Establishment of CS Fund	Inter-governmental transfer for CS administration	2002
4	Strategic Framework for D & D Reform	The document aims to promote the local democratic development the SNAs with the elected representatives that work for the best interests of local citizens in line with principal of good governance.	2005
5	Law on Administrative Management of DMK and CPs	Sets out the administrative management framework for CP and DMK in compliance with the decentralization policy	2008
6	Law on The Election of CP and DMK Councils	Set out the procedure to elect councilors for CP and DMK administration.	2008
7	Law on Public Financial Systems	Fundamental law for national and sub-national financial management in Cambodia.	2008
8	10-Year-National Program for Sub-National Democratic Development 2010–2019 (NP-SNDD)	NP-SNDD focus on five main program areas which are sub-national institutional development; strong human resource system development; the transfer of function and resources; budget, finance and property of SNAs; and Support institution for D & D reform process.	2010
9	Law on Financial Regime and Property Management of SNA	Establish financial sources for SNAs (SNAs in the law refers to DMK and CP only)	2011
10	Sub-decree on Establishment and Functioning of DM Fund	Inter-governmental transfer for DM administration	2012
11	Sub-Degree on Delegation of Legal Power to SNAs to Appoint, Change and Terminate Duty of Civil Servant at SNAs	All to the appointment, change and termination of civil servants at SNAs must get through decisions of elected SNAs councils.	2013