

NON-STATE ACTORS AND LOCAL AUTHORITIES IN DEVELOPMENT -
ACTIONS IN PARTNER COUNTRIES (MULTI COUNTRY) FOR NON-STATE ACTORS

Best Practice Battambang: Strengthening of Local Self-Administrations: Revenues and Budget, Transparency and People's Participation

- short version -

Thematic Area: Institutional Governance

Country of Origin: Cambodia

www.DELGOSEA.eu

DELGOSEA



This project is co-funded by the European Union.



A Project implemented by the consortium: Konrad-Adenauer-Stiftung e.V., Thailand Environment Institute (TEI), Local Government Development Foundation Inc. (LOGODEF), United Cities and Local Governments for Asia and Pacific (UCLG-ASPAC), Association of Indonesian Regency Governments (APKASI), Association of Cities of Vietnam (ACVN), and National League of Communes/Sangkats of the Kingdom of Cambodia (NLC/S).



ABOUT DELGOSEA

The Partnership for Democratic Local Governance in Southeast-Asia (DELGOSEA) was launched in March 2010 and is co-funded by the European Commission and the Konrad-Adenauer-Stiftung (KAS) of Germany through the German Ministry of Development Cooperation.

DELGOSEA aims to create a network of cities and municipalities to implement transnational local governance best practices replication across partner countries: Cambodia, Indonesia, Philippines, Thailand and Vietnam. It supports the role of Local Government Associations (LGAs) in providing and assisting the transfer and sustainability of local governance best practices replication by local governments. Most importantly, through the exchange of best practices in the region, DELGOSEA intends to contribute to the improvement of living conditions of disadvantaged groups in Southeast-Asia by helping increase their participation in local planning and decision-making.

In the first phase of project implementation, an intensive research was done to determine Best Practices (BP) in local governance in each of the five participating countries. A consortium of international local governance experts and representatives from the LGAs reviewed and selected 16 BPs out of the submitted 27 BPs.

The project concentrated on the following four thematic areas while selecting best practice examples from the five countries:

1. Peoples' participation in planning and decision-making;
2. Institutional governance;
3. Inclusive urban public services;
4. Fiscal management and investment planning.

The following short descriptions BP is one of the selected 16 BPs in the area of institutional governance, provided by Battambang in Cambodia.

Starting in January 2011 through August 2012, DELGOSEA will continue to collaborate with LGAs and local governments to transfer best practices replication. The pilot cities/municipalities could modify or improve the original best practice to their local context. The LGAs in the five participating countries will closely consult and guide the selected pilot local governments on the transfer and implementation of BP replication.



Country	Cambodia
Local Government:	Battambang
Type:	Municipality
Best Practice:	Strengthening of Local Self-Administrations: Revenues and Budget, Transparency and People's Participation
Aspect of Governance:	Institutional governance
Reported By:	Min Muny

Summary

In June 2003 the Royal Government of Cambodia set up the pilot program on urban districts administration development with the aim to establish an institutional framework for a transparent local self-administration, to improve the service delivery to the citizens, and to strengthen their participation in decision-making processes. The new structures were first piloted in two municipalities – Battambang and Siem Reap, which should serve as models for the extension of the program to other municipalities in a later stage. The specific objectives of the piloting were as follows:

- developing the capacity and change the attitude of the third level of government, so it will appreciate, manage, and actively use the new procedures for good governance and to encourage people participation.
- developing the legal framework for a sound revenue system in the two urban pilot areas and gaining first experiences from the implementation of this system as a model for local self-governed secondary level cities in Cambodia, including aspects like local tax revenues, administrative fees and revenues from tourism;
- further developing existing initial regulations for the budget procedures of the two urban pilot districts into a well functioning and efficient system for budget planning, budget implementation and budget supervision for other urban districts in Cambodia.

Amongst the various forms of capacity building for the local administration and introduction of different forms of people's participation, the most prominent outputs of the piloting were the establishment of the One Window Service Office, the introduction of the Ombudsman's office, the set up of elected district councils and the introduction of participative land use planning.

The six year piloting was funded by the European Commission and the Konrad-Adenauer-Stiftung, and carried out in cooperation with the German and Italian local governments.



Background and Objectives

The decentralization and deconcentration (D&D) reform has been implemented by the Royal Government of Cambodia (RGC) to promote local democratic governance and local development (together defined as democratic development) in order to improve service delivery and contribute to the country's poverty reduction efforts.

As the third level of government in Cambodia, the district/municipality/Khan, whether urban or rural, had very limited competencies and financial resources. They had been considered as the provincial arm and were responsible for many tasks—including ensuring the social order/affairs, statistical surveys, environment protection, etc.—but had no real decision-making authority. Most public services were performed by provinces and central ministries directly from Phnom Penh, the country's Capital, or through their provincial line departments.

The pilot program of the One Window Service (OWSO) was initiated and set up by the Royal Government of Cambodia's Decision No. 47 SSR dated 11 June 2003. It has been operational in Battambang and Siem Reap municipalities (then called a district) since 2005. The main objectives of this pilot program are:

- To develop a legal framework for a revenue system for a pilot urban district, where lessons can be used for the decentralization and deconcentration reforms at this level.
- To develop the budget procedures in this pilot municipality into an efficient system of budget planning, implementation, monitoring, and control for urban towns.
- To develop the capacity and change the attitude of the third level of government, so it will appreciate, manage, and actively use the new procedures for good governance and to encourage people participation.
- To develop the public and local media's access to information at the third level of government.

Battambang municipality is located in the center of the Province of Battambang, along the National Road No. 5 and about 310 km from Phnom Penh to the west of the country. The municipality covers approximately 11,544 hectares of land, and has a population of 151,656 (as of 2008). With its large population and location in the center of Battambang province, the municipality has gone through a rapid urbanization and now hosts people from neighbouring provinces (such as Pursat, Paillin, Banteay Meanchhey, and Odor Meanchhey) who seek education, health, cultural, and economic services.



A. Innovative Elements

The One Window Service Office (OWSO) administers and delivers delegated public services to citizen. This office consists of several front officers (3-6) who are responsible for serving the customers, and several back officers (5-10), who are responsible for preparing and processing the services required by customers. OWSO (also called "Model City") provides services such as:

- Culture and fine arts (among others, distribution of licenses to photographers or video rent shops).
- Tourism (among others, licensing of guesthouses up to five beds and restaurants up to 50 places).
- Transport (among others, registration of motorcycles).
- Mining industry and energy sector (among others, registration of handy craft shops and businesses in the mining sector).
- Commerce (among others, registration of small businesses)
- Construction licensing for residential housing of 500 square meters and below.

Until 2009, the OWSO of Battambang municipality was able to provide 48 different types of services concerned with the mentioned sectors, while other line ministries are now in the process of reviewing and delegating more functions. The services of this OWSO in Battambang are markedly different from the old system in in the following ways: (1) the fees for various services at the office are transparent (publicly displayed at office), and (2) the services provided are timely and consistent. By delivering services this way, Battambang raises a substantial amount of local revenues annually. As mandated by the 2008 Organic Law, the municipality is managed by a 15-member council (with one female) and a 5-member board of governors. There are 78 civil servants and contract staff, 20 of them women, who are working directly under the municipal administration.

B. Involvement and Activities

To address and move D&D reform forward, the RGC issued Decision No. 47 SSR on 11 June 2003, allowing for the pilots of OWSO in Battambang and Siem Reap municipalities. In 2004, after consultations and dialogues with concerned ministries and respective provinces and districts/municipalities, the Ministry of Interior promulgated several regulations (Prakas #790, #791, #792, etc.) to facilitate the establishment and functioning of the provincial coordination committee, the respective district/municipality councils, the OWSO management body, and the Ombudsman (or Citizen Office in Khmer language).



It should be noted that the district/municipality councils set up for the two districts/municipalities at that time were different from the 2009 district/municipality elected council and consisted of representatives of citizens, commune councillors from different political parties, and the district/municipality administration. Under the framework of this special structure, the council plays the most important role in the approval of the annual work plan, budget plan, and the monitoring of program implementation. The ombudsman is responsible for receiving and dealing with citizen's complaints concerning the quality and transparency of the services delivered by OWSO. It also plays a key role in linking citizens with the municipal administration. The initiative was supported financially and technically by the Konrad Adenauer Stiftung and the European Commission through the Asia Urbs Project.

Under the One Window Service framework, NGOs have been involved in facilitating information campaigns, citizen hours and forums, and card survey. Citizens have been involved through their interactions with the ombudsman and participation in the citizen hours and forums. There are monthly citizen hours, and quarterly and annual citizen forums organized by specialized NGOs (such as the Centre for Social Development) to gather citizen's perceptions and recommendations on the performance of the OWSO. In terms of functions/activities, six ministries have delegated some sub-functions and tasks via their ministry's regulations.

C. Sustainability and Replication

The pilot OWSO and ombudsman/citizen offices are not only instrumental in deeper and wider D&D reforms, but have been part of the government's efforts to improve the quality of service delivery and bring those services closer to the people. It promotes several good governance principles, such as transparency, accountability, and efficiency. It has also laid down clear measures of fighting corruption and abuse of power. Key evaluations of the pilots program could be summarized as follows:

- The establishment of One Window Service Office support structure gives Battambang municipality the legal authority to facilitate with concerned sectors in the delivery of public services and to carry out the functions delegated by concerned ministries.
- The establishment of an ombudsman (or called "citizen office" in Khmer language) is very helpful. It does not only arbitrate conflicts between citizens and the municipal administration. It can also help improve quality, transparency, and accountability, and promote people's participation and make citizens believe in the kind of service delivery provided by the municipality.



- The establishment of OWSO provides citizens access to public services from their municipal administration in a more effective, efficient, and transparent way.
- Having the municipal council to approve the annual budget plan and monitor the implementation of annual budget plan is an effective safeguard and mechanism to check and balance public resource utilization.
- Through OWSO, Battambang municipality was able to increase its revenue almost eight fold in 2009, from 27 million riels in 2005 to over 205 million (or about 50,000 US dollars) in 2009, while the government's target for the office was only 87 million riels. This example of generating local revenues has encouraged the national government to pursue further reform on D&D.

Based on the positive results of this model, the government of Cambodia has decided to implement it in 22 district-town/municipalities in the next four years. The scale-up of this model is being implemented by the National Committee for Sub-National Democratic Development (NCDD) under the leadership of the Ministry of Interior (MoI), with financial support from the World Bank DfGG project.

This OWSO pilot program is very instrumental in Cambodia, where centralization has been embedded deep in the long history and urbanization of the country has been at a rapid speed. It gives central ministries the assurance and enough confidence to gradually transfer specific functions of service delivery to lower tiers of government. More importantly—and in addition to getting better, cheaper, and faster services—the citizens of the two municipalities are now aware of their rights and roles to meaningfully participate and contribute to the improvement of local governance.

The rapid urbanization and D&D phenomena have been seen in most of the ASEAN countries. Therefore, this OWSO pilot program should be a good model for cross-country learning.

The content of this publication is the sole responsibility of the implementing consortium under the lead of Konrad-Adenauer-Stiftung e.V. and can in no way be taken to reflect views of the European Union.

www.DELGOSEA.eu



This project is co-funded by the European Union.

A Project implemented by the consortium: Konrad-Adenauer-Stiftung e.V., Thailand Environment Institute (TEI), Local Government Development Foundation Inc. (LOGODEF), United Cities and Local Governments for Asia and Pacific (UCLG-ASPAC), Association of Indonesian Regency Governments (APKASI), Association of Cities of Vietnam (ACVN), and National League of Communes/Sangkats of the Kingdom of Cambodia (NLC/S).