

The Kingdom of Cambodia
Country Profile
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A. Introduction into the political system and culture

The Kingdom of Cambodia is a country of 181,035 square kilometers, with 13,395,682 inhabitants (6,879,628 female, equivalent to 51.36%), and a population density of 75 square km (Cambodian Census 2008). About 85 percent of the population is farmers who depend on agriculture for livelihood. The agricultural sector is 32.4 percent of the GDP in 2008 and ensures jobs for over 70 percent of the population. In addition to agriculture, economic growth has recently been driven by the garment, tourism and construction sectors. As a result, rapid annual average economic growth of the past decade (1999-2008) of about 9.5 percent has increased annual income per capita from \$281 in 1999 up to \$739 USD in 2008, while the poverty rate declined significantly from 34.8 percent in 2004 to 30.1 percent in 2007 (the 2009-2013 National Strategic Development Plan Update).

The Kingdom of Cambodia is a unitary and indivisible state by constitution. Administratively, the constitution divides the country into capital, provinces, municipalities (urban district), districts, khans (districts in the Capital Phnom Penh), Communes and Sangkat (urban commune). These administrative units are governed in accordance with the 2008 Law on the Administrative Management of Capital, Provinces, Districts, Municipalities and Khans and the 2001 Law on the Administrative Management of Communes and Sangkat. By 2010, the total number of sub-national administrative units includes 1 Capital, 23 Provinces, 159 Districts, 26 Municipalities, 8 Khans and 1,621 Communes/Sangkat.

B. Recent history of decentralization and reforms

Before February 2002 all local administrations were appointed by government. These administrations performed duties on behalf of the central government. They were essentially agents of central government to which government delegated certain functions for implementation of its policies.

Line ministries have their line departments/agencies at district and provincial levels, which carry out the development policies and plans of their ministries. Under this system the central government has retained ownership and responsibility for all functions that have been delegated to sub-national administrations or line departments. This delegation also includes specific controls and instructions. Local administrations and agencies have to respond and be accountable upwards to the Royal Government on how it has implemented the delegated functions.

Line ministries have, since 1993 – the first democratic multi-political party elections, been operating under a deconcentrated mode with strong central control, instructing their line departments/agencies at sub-national levels. Line departments carry out the development policies and plans of their ministries. Generally, central line institutions control almost all of the budget and the personnel management authority. Further, resource allocations by province are highly unequal, with a difference of up to 6 times between the best-off and worst-off provinces. District administrations had been largely stripped of any authority, including the right to and management of their own budgets.

In March 2001, the Organic Law, including the Law on the Administration Management of Commune/Sangkat; and the Law on the Election of the Commune/Sangkat Council, was adopted. Based on this Law the elections of the Commune/Sangkat Councils were successfully held in February 2002, creating very substantial local authorities.

Therefore, starting from February 2002, the governance at C/S level was substantially changed. The administration created by this election was the means to transfer governance ownership from the central to the C/S level, ensuring that the C/S councils represent the interests of their local communities, and being responsive and accountable to their local communities. Nevertheless, up to 2009, the only source of electoral accountability in Cambodia was through the commune/Sangkat councils, thus many challenges remained.

In terms of governance, there are four major challenges. First, there is poor administrative performance, accountability and responsiveness to the needs of local communities. Although the Commune councils are elected and have the legal capacity to perform own functions and manage own resources to respond to the local development plan, their performance and capacity have

been limited, as functions and financial resources have not been transferred. Further, the management systems and lines of accountability at the provincial and district level are not structured to respond to local needs.

Second, sub-national service delivery and regulation of markets and public goods are characterised by a confusing mix of centralised, decentralised and deconcentrated arrangements, and also the allocation of the management responsibilities and the use of public goods is still not clearly defined between central and local governments and between local administrations themselves. While the technical capacity of government staff has improved, civil servant deployment is still not in line with the scale of functions and the priority needs of local communities. At the same time, conflicting and fragmented assignments of functions to different ministries has resulted in the creation of multiple sectoral programs that compete and have administrative management overlap amongst programs, projects and institutional responsibilities. This has further created complexity for responding to local needs.

Third, multiple conflicting development partner-financed programs exacerbate the problem. The focus on short term investment projects, vertical deconcentration and the use of salary top-ups threaten the institutional reform and long term capacity development envisioned in the Strategic Framework for D&D reform.

Fourth, in the process of democratic development, there are few functioning accountability mechanisms operating outside of elections, and political space for publicly debating, criticizing or protesting government policies.

RGC has recognized these challenges and is now pursuing further reform at higher administrative levels. Councils for the capital, 23 Provinces, 159 Districts, 26 Municipalities and 8 Khan were elected in May 2009. The elections of these councils were somewhat different than the communes and only (11,353) commune/Sangkat councilors were the eligible voters to elect those higher-level councils. Together with the government's appointed board of governors, they represent the government at these levels

C. Description of existing local democratic structures (e.g. elected councils, political participation, budget authority)

C.1 Compositions and Electoral System of the Councils

At Commune/Sangkat Level: There are 5, 7, 9 and 11 member councils directly elected through political party proportional representation system by all eligible voters in the respective constituency. The numbers of councils are decided by number of populations. There were 11,261 councilors (out of whom about 9.5% were women) elected from four political parties for the first mandate (2002-2007) and 11,353 councilors (about 14% women) were elected for the second mandate in April 2007.

C.2 At Capital, Province, Municipal, District and Khan Levels:

Under the country's adopted indirect PR electoral system, the above 11,353 directly elected councilors were the only eligible voters to elect the councils at the higher levels of the country sub-national administrations in May 2009. The winning parties at commune levels were also the only parties allowed to propose their candidates for the councils at these levels. According to the Article 18 of the (2008) organic law and based on the present population, the numbers of councilors elected in May 2009 for their first 5-year mandate vary as following:

- Phnom Penh Capital Council: 21 councilors;
- Provincial council: 9 to 21 councilors;
- Municipal council: 7 to 15 councilors; and
- District council and Khan council: 7 to 19 councilors.

D. Budget

The share of the national budget allocated to the Commune/Sangkat fund has increased from 1.5% of current domestic revenues in 2002 to 2.7% in 2008. The Fund has enabled the Commune/Sangkat councils to respond directly to the priorities and needs of their local citizens through participatory planning and project management.

At municipality/district level, several projects and support mechanisms have been formulated that form the foundation for municipality and district administrations as they participate in the next round of D&D reform. Budget and administrative structures have been created and strengthened in pilot municipalities, districts and khans, enabling them to provide public services

and work with the capital, provinces, and Communes / Sangkats more closely in meeting the needs of the citizens. The One Window Service Office were piloted in Siem Reap and Battambang Districts (now Municipalities). The achievement of this pilot project has encouraged the RGC to expand the establishment of these offices to other targeted districts and municipalities, in order to further strengthen the role of the district and municipality in providing services, engaging citizens and is expected over time to provide more accountable local government.

E. Master plans/initiatives for the upcoming years

The National Program for Sub-National Democratic Development (NP-SNDD) was adopted by RGC at its cabinet session on 28 May 2010, officially launched country-wide on the 9th of August 2010 and is the RGC's agenda for the next 10 years in the comprehensive and in-depth governance reform process of the sub-national administrations, which will also impact on other national institutions. The formulation of NP-SNDD reflects and confirms the RGC's political commitment to the vision, policies and strategies outlined in the 2005 D&D Strategic Framework and the government's commitment to implementing the Organic Laws on Capital, Province, Municipality, District and Commune/Sangkat administrations.

The NP-SNDD has been formulated while the RGC is strengthening the roles and responsibilities of institutions at all levels towards achieving good governance, development and poverty reduction. To achieve these goals, great efforts by all national and sub-national levels are required, as well as effective cooperation between them. In this reform process, there is a need for equal opportunity for all citizens to participate in local development and to demand better and more comprehensive public services to meet citizen's needs, leading to poverty reduction and focusing on the most vulnerable groups, particularly the indigenous peoples, women and children.