SPEECH

OF

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ON

DECENTRALIZATION AND DECONCENTRATION

"NATIONAL POLICY TO FURTHER STRENGTHEN DEMOCRACY, PROMOTE DEVELOPMENT AND ALLEVIATE POVERTY IN CAMBODIA THROUGH INSTITUTIONS OF SUB-NATIONAL GOVERNMENT"

Excellency, Ladies and Gentlemen

The core of the Royal Government of Cambodia's Rectangular Strategy is good governance focused in four reform areas. These are –

- anti-corruption;
- legal and judicial reform;
- public administration reform, including decentralization and deconcentration; and
- reform of the armed forces, especially demobilization.

Successful public administration reform holds the key that will open many doors for reform in the other three sectors.

In this Consultative Group meeting, I would like to refer briefly to that part of public administration reform that involves decentralization and deconcentration.

1- CAMBODIAN DECENTRALIZATION AND DECONCENTRATION

During the first mandate and almost half of the second mandate of the Royal Government, all the various sub-national levels of administration —Provinces/Municipalities, Districts/Khans and Communes/Sangkats - were nominated and acted only on behalf of the national government as its agents to carry out its directives, decisions and policies. These administrations were always responsive and accountable upwards to the national government that controlled the delegated functions.

Thus, until early 2002, this was the only authorized type of sub-national administration. Cambodians identified it as “deconcentration” or the more commonly understood term “centralization”.

However, in February 2002, Cambodian governance policy changed through the establishment of elected Commune/Sangkat councils. This new policy requires the national government to transfer appropriate functions to these elected councils, and to ensure they have the status, authority, responsibility and resources to decide and manage those functions on behalf of their local communities. These councils have to be responsive and accountable to their local communities. The Royal Government only ensures the legality of their actions and that they do not act against the national interests. The new policy is therefore intended to give autonomy, but not sovereignty, to elected local sub-national institutions. Cambodians identify this new policy as “decentralization”.

2- PARTNERS IN GOOD GOVERNANCE

It is the policy of the Cambodian Royal Government that deconcentration and decentralization must now be implemented more vigorously as complementary and supplementary activities or administrations. Deconcentration and decentralization must now become partners in striving to achieve good governance through public administration reform under the Rectangular Strategy of the Royal Government of Cambodia. In applying this policy, sub-national institutions must be empowered to undertake their functions with effectiveness. The purpose and intention of administrative reform through the new partnership of decentralization and deconcentration is to promote good governance. For this purpose it is essential -

- to strengthen and extend democracy through participation, transparency and accountability at all levels of administration;
- to promote development, focusing on the needs of people and alleviation of poverty.

This new partnership will affect the policies and administrative mechanisms of every Ministry and institution of the Royal Government, including existing and future sub-national institutions and agencies. There must be a renewed orientation of attitude, unity of wilt, and concerted action to support and implement the partnership vigorously.

3- BASIC CORNERS

It is necessary to conclude with four points that are basic to this policy and strategy for reform of public administration through decentralization and deconcentration:

First: this policy and strategy requires the continuing support, cooperation and coordinated activity from all Ministries and agencies of the Royal Government, especially those that provide crosscutting services such as finance and planning.

Second: only sub-national institutions that have appropriate status, authority, responsibilities and resources can make an optimal contribution towards improving the quality of life of their residents. It is therefore essential to review all sub-national levels of administration including the Provinces and Municipalities, Districts and Khans, and Communes and Sangkats.

Third: in the process of this reform, all of the interrelated and interdependent components must be brought together in a coherent and unambiguous policy and strategy that involves all governmental and non-governmental organizations as well as institutions, agencies and donors. It is the intention of the Royal Government to accomplish this through the deliberations of a government Committee, which I will describe in a moment

Fourth: the continued support, cooperation and coordination of donors, all international and national NGOs, institutions and agencies are crucial for the development, implementation and sustenance of this policy and strategy.

Recently, the Royal Government of Cambodia established a government Working Group to develop a strategic framework for decentralization and deconcentration in coordination with the Donor Working Group on Decentralization and Deconcentration. The government Working Group has begun to address the issues. To expedite this process, the Royal Government of Cambodia has created an Inter-Ministerial Committee of the government Working Group, comprised of Ministers of relevant Ministries, that will deliberate and formulate a draft organic law for the management of Provinces/Municipalities and Districts/Khans. This Committee will start functioning early in 2005 and will welcome all submissions that make a constructive and appropriate contribution to this process.

Finally, on behalf of the Royal Government of Cambodia, I would like to express my sincere thanks to all Cambodian development partners for their valuable support and assistance to the cause of reconstruction and development of Cambodia. Through this consultative meeting I hope to receive further support and assistance from the donor community.

Thank you.