

## **Joint Donor Statement on Decentralization and Deconcentration**

**CG Meeting 2-3 March 2006**

**Delivered by Mr. Klas Molin, Head of the Swedish Delegation, on  
behalf  
of the Development Partners**

Your Excellencies Ladies and Gentlemen.

The creation of elected Commune Councils four years ago has been one of the most successful reforms conducted by the Royal Government of Cambodia, providing a voice for local people and investment for local development. Last June the approval of the Strategic Framework for Decentralization and Deconcentration (D&D) provided a policy outline for further reforms, around which the development partners will be able to align their future support.

The international development partners have welcomed the opportunity to work in partnership with the government to strengthen the Commune Councils. The government's Seila program will this year channel \$34 million for sub-national support. This has used the governments planning and budgetary cycle to provide predictable and harmonized support to the provinces and communes.

The Launch of the national Strategic Development Plan (NSDP) this year identifies that a priority for poverty alleviation is to direct over 60% of resources to rural areas. The ongoing strengthening of the Commune Councils, together with D&D reforms and local development investment, will all make an important contribution to achievement of the NSDP goals and objectives.

With the end of the Seila program in December 2006, it is very important that a new government program is in place before September 2006. This will then allow the development partners to make commitments for support to the D&D reforms and sub national investment needed for local development in September, so that financial resources are available in January 2007. If the new programme is not in place before September the potential disruption in funding will undermine the achievements of the Commune Councils, delay the D&D reforms and result in a decline in service delivery.

It would further cause damage to the reformed deconcentrated provincial management structure that has been designed and mandated by the government. This prototype structure is a foundation to build further deconcentration reforms upon. It has allowed participating national ministries to retain oversight on policy and technical matters but devolve the planning and implementation to the provinces. It currently remains a fragile system largely dependent on external funding and is not institutionalized through law and regulations.

The International Development Partners welcome the opportunity to work within the newly established Technical Working Group (TWG) for D&D. This will provide an opportunity for government and stakeholder dialogue on policy reforms and consultation on the organic laws. This will make an important contribution to the implementation of D&D reforms and investment for local development.

The donors are ready to work closely with the government to achieve the important deadlines in 2006, to further strengthen the voice of local people and to continue to provide transparent and accountable investment for local development. We feel confident that the government will continue its strong commitment to D&D in its strategy to strengthen and expand local democracy, to promote local development and to reduce poverty

Thank you for the opportunity to make this presentation today.