

**Government-donor Coordination Committee (GDCC)**  
**5 October 2006**  
**Intervention on Decentralisation and Deconcentration**

**Presented by Sweden**

In the past months we have seen some critical steps being taken by the RGC to prepare for a new phase of D&D reforms. Maybe most important is the establishment by a Royal Decree of the National Committee for the Management of D&D Reforms (18 August). The merging of the various mandates of former committees into one administrative structure, with one committee and one secretariat, the General Department of Local Administration, is a commendable progress in creating conditions for efficiency in the design and implementation of the reforms.

We understand the RGC faces two immediate challenges in implementing D&D. First, RGC must minimize disruption to current arrangements for delivering support to sub-national levels, while implementing significant reforms defined by the Strategic Framework for D&D, the future national program and the organic law. At the same time preparations for the second national Commune Council election are in full swing.

The urgent work on the NCDD Annual Work Plan and Budget for 2007 has progressed quickly. The estimated resources amount to some \$ 57 Million out of which 74 % is allocated for sub-national investments. 37% of these resources come from RGC while the rest are contributions from some 15 development partners.

As development partners we are impressed with the way the NCDD Secretariat has managed to get on top of the situation and are engaging in a dialogue with donors on how to align a wide range of support projects to the 2007 Work Plan and Budget.

Good governance is central to the NSDP, and decentralisation and deconcentration are considered key in improving sub-national governance and development, which in turn are expected to enhance the well-being of Cambodian citizens, particularly the poor. There is strong interdependence between D&D and RGC's agenda on anti-corruption, public administration and public finance reform.

The success of the D&D reforms will fully depend on leadership, strong intergovernmental cooperation, coherence between the key governance reform agendas and the way dialogue is pursued between various stakeholders, including the donor community. It is now essential that words are followed by action. That adequate government powers, expenditure responsibilities and resources are being devolved to lower levels and reliable mechanisms to ensure transparency and downward accountability are developed.

The conduct of free and fair commune council elections in 2007, with guaranteed participation of all eligible citizens, is crucial for the credibility of the D&D reforms.

The D&D TWG has been inactive since its first meeting in February this year. Following the establishment of the NCDD and in order to make further progress on effective support to a complex reform agenda, the donor community currently engaged in D&D and those wanting to participate in it is looking forward to an improved

engagement and dialogue with the NCDD and its partners under the auspices of the D&D TWG. We are confident that this is also the wish of the RGC and we stand ready for the resumption of these broader dialogues in the coming weeks.

A starting point for re-engagement would be to review the current status of the Joint Monitoring Indicators and to agree on a D&D Action Plan and how we best can jointly monitor and support its implementation in the TWG D&D Forum.

As development partners we will strive to ensure our actions are more harmonised, aligned with national development strategies, transparent, collectively effective and we will make increasing use of strengthened Cambodian institutions, systems and procedures as they attain mutually agreed standards.

Thank you.