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Session III: Priority reforms to achieve NSDP priorities

Decentralisation and Deconcentration

Presentation by HE Mr Sar Kheng, Deputy Prime Minister, Minister of Interior and Chairman of the National Committee for Sub-National Democratic Development (NCDD).

Excellency, Deputy Prime Minister and Minister of Economy and Finance Keat Chhon, Excellencies, Ladies and Gentlemen:

On behalf of the National Committee for Democratic Development, I thank you for this opportunity to briefly present to you the progress we have made in implementing the D&D reforms, and the challenges we face as we proceed with implementation.

The Law on Administrative Management of the Capital, Provinces, Municipalities, Districts and Khans, which came into effect in 2008, the legal framework for the Decentralisation and Deconcentration policy, established the sub-national unified administrations and provided for the council elections that were conducted last year. It also established the National Committee for Democratic Development to oversee the implementation of the D&D policies and the provisions of Organic Law itself; and provided for the formulation of medium and long-term national programmes for implementation.

The NCDD established a task team which began formulation of a 10-year National Programme for Sub-National Democratic Development in September 2008. An inclusive, consultative approach was adopted in order to ensure that all key stakeholders were involved in the formulation process. Five major national policy dialogues were conducted and the programme was developed based on the outcomes of these dialogues. This was a complex and time-consuming process, but a necessary one to ensure. The final draft of the National Programme for

Sub-National Development 2010 – 2019 (NP-SNDD) was approved by the NCDD in March 2010, and adopted by the Council of Ministers on 28 May 2010.

The NCDD is now in the early stages of implementing the NP-SNDD. NCDD is currently developing a more focused, 3-year Implementation Programme 2011 – 2013 (IP3), including a more detailed programme and budget for 2011. In addition to fleshing out the 5 Programme Areas of the NP-SNDD, this IP3 will consolidate local development initiatives and investments. In line with the government policies, the NCDD is developing the IP3 using a Programme Based Approach, with the full support and cooperation of the D&D Development Partners. This is a welcome new development, but it also represents a challenge, as it will take some time and effort to move from the current project-based approach to the new programme-based approach. The RGC will take the lead in promoting this approach and in working closely with Development Partners to ensure that the programme is structured in such a way that it allows all partners to transition successfully from existing arrangements to the new PBA arrangements. It is expected that available DP support will be harmonized during the initial 3 year period and be fully integrated under the following IP 2014 - 2016.

In adopting the D&D policies and programmes we are embarking on a major programme of change and we will face many other challenges. The first of these will be to ensure that the programme will be an 'all-of-government' programme. The focus of the programme is of course on the sub-national levels, but it must also address national level issues, and the role of the central and sector ministries will be critical to its success. In fact at national level much of the programme will, from the beginning, be implemented by central and sector ministries. These ministries will therefore take the lead roles in critical areas such as planning, finance and human resources reforms. These areas are clearly intertwined, and a lack of progress in any of them will have the effect of blocking progress in the others. For example, implementing the financial reforms will be key, as without adequate, predictable financing of sub-national administrations, including some discretionary financing, progress on programme implementation in other areas will be effectively blocked.

As the reforms progress, these central ministries will continue to have major roles to play in their areas, including policy development, standard setting and in drafting and passing legislation and regulations. Already new councils have been established and new structures at sub-national levels have been put in place to support these. These new structures and systems

are necessary to ensure democratic development and implement D&D. They must be supported by new planning arrangements, new administrative systems and new staffing arrangements, including new legislation. These are major challenges and will require close collaboration between ministries; and close coordination of the three main government reforms – PFM, PAR and D&D. The NP-SNDD recognizes this and implementation activities will be set out in the IP3 to ensure that this will happen.

Sector ministries will also play the major role in functional re-assignments, and this will be a challenge for them. They will be responsible for analyzing and re-aligning their roles and functions; for reviewing their policy, legislative and oversight functions and for re-assigning their service delivery functions over time to the sub-national administrations. This will fundamentally change the existing governance and service functions right across government at all levels. The NCCD will have an important oversight role to play in this process as set out in the Organic Law, and will have to ensure that a common, transparent process is followed by all the sectors; and that ministries are well informed and well supported throughout the process. Sector ministries will have to help build capacity at both national and sub-national levels to cater for the new roles and responsibilities.

Development partners too can play their part in addressing these challenges. The RGC will look to DPs to adopt a coherent approach to D&D across all of their sector programmes and projects; ensuring that these are effectively aligned with the NP-SNDD. It is expected that alignment and coordination issues can be raised and discussed at the appropriate Technical Working Group meetings in order to facilitate movement towards this coherent approach, let me call it an 'All-of-Development-Partner' approach.

Excellencies, Ladies and Gentlemen

In keeping with the agreed approach for this session, I will limit myself to these few remarks. I look forward to the presentation of the Development partners, and I will be happy to elaborate further on these or any other issues around D&D and the NP-SNDD during the time set aside for discussions.

Thank you for your attention.