

**➤ CAMBODIA:  
DECENTRALIZATION LAYS A FOUNDATION FOR RECONSTRUCTION  
AND GOVERNANCE**

**In a Nutshell**

In the aftermath of a brutal war, a Cambodian government programme for decentralizing governance is resurrecting local capacities to manage development funds, while respecting the rule of law, human rights, environmental concerns and so on. Called Seila, the programme has also created a system for funneling resources from central to local government bodies.

The Seila experience features many potential lessons for countries emerging from conflict, proving that if donors and reconstruction agencies work in the immediate post-conflict stage in a decentralized service delivery mode, this provides the natural launch pad for a decentralized governance structure during rehabilitation. It also demonstrates that trust-building among stakeholders is a central tenet of capacity development in countries wounded by internal conflict.

**The Story**

Cambodia was confronted with a large population of refugees and internally displaced people at the cessation of hostilities in 1991. Since the resettlement and rehabilitation projects undertaken by the UN Transitional Authority often worked with local communities, a decentralized governance structure was a logical outcome at the end of the transition period. This second phase of rehabilitation included support for the Cambodian government's Seila programme.

Seila, meaning foundation stone, is a collective undertaking of seven ministries. An approach to decentralization built upon participation, empowerment, gender equity and good governance, Seila is a radically new concept in Cambodia, characterized as it has been by local and international conflict, a centralized command economy and political structures, and isolation from the international community.

Capacity development for managing development funds at the provincial, commune and village levels is a central activity for Seila, which now works in 17 out of 24 provinces. It has developed participatory planning processes using provincial rural development committees, which link both to the central Seila Task Force and to the district, commune and village level development committees in the outlying areas. An important feature of this structure is that planning originates at the village level and filters upwards to commune, provincial and central levels, with concomitant financial management and accountability at each stage.

Seila covers basic services for poverty alleviation, including the provision of local development funds to cover income-generating activities, agriculture,

health, water and sanitation, and education and culture. Since the February 2002 commune council elections, Seila has focused on capacity development for newly elected councils, providing training to all councillors on administration, the local planning process and financial management.

Beginning in 2001, Seila has functioned under Cambodia's Partnership for Local Governance programme, with joint funding from UNDP, the UK Department for International Development (DFID) and the Sida. The programme addresses policy and procedural challenges by refining and testing decentralized systems for planning, financing and managing local development; helping establish institutional arrangements and capacities necessary for both local democracy and development; and assisting the government to address problems related to inadequate or unreliable funds for local authorities to deliver public goods and services.

Partnership for Local Governance incorporates a strong capacity development component. It has supported national agencies to improve aid coordination, execution and supervision, and to translate policies into regulations and systems. At the provincial and commune levels, projects have focused on the new governance functions of elected councils, while facilitating public information and civic awareness campaigns on the roles, obligations and responsibilities of provincial and commune authorities. The programme has also developed, tested and institutionalized participatory planning procedures; set up decentralized financing facilities; and developed local public sector procurement practices and public-private partnerships for infrastructure and service delivery.

Other contributions include: provision of locally managed infrastructure and services; technical and financial contributions to policy statements, drafts for legislation and decrees; the preparation of policy-oriented reports based on the lessons learned (for example, improving local fiscal income and resource mobilization, bettering relations between commune authorities and civil society, and promoting multi-actor arrangements for service delivery); and special-purpose studies on subjects such as how to improve the access of the rural poor to affordable, locally managed, and sustainable public services and infrastructure.

## **Results and Critical Factors**

Seila teaches some important lessons. Some of the toughest challenges have pertained to mindsets – project managers agreed that changing them was often the most difficult task. Some of the programme's main accomplishments have been:

- Formulation and implementation of transitional arrangements to help create departments of local administration at the national and provincial level
- Assisting communes in becoming more efficient and responsive through support for the formulation of the sub-decrees and guidelines on commune development planning, the commune financial management

system, and various operational and accounting guidelines, as well as the development of commune profiles designed to serve as tools both for planning and for determining the poverty index

- Support for the creation of a common curriculum on commune orientation and administration, and the training of commune councils and clerks to empower agents for transformation
- Expansion and development of new partnerships between the programme and national government agencies on the one hand, and between the programme and other donors on the other as a way of mainstreaming Seila and making its achievements more sustainable

Seila rests on four principles: dialogue, clarity, agreement and respect. At the heart of its success is the extensive level of collaboration between the government and its development partners, as well as stakeholders at various levels. All have shared a vision of creating mechanisms that promote transparency, accountability, equity and participation.

### **Further information**

Jan Rudengren, and Joakim Ojendal. 2002. *Learning by Doing – An Analysis of the Seila Experiences in Cambodia*. Stockholm: SPM Consultants.

United Nations Development Programme (UNDP). 2001. *Peace-building from the Ground-Up: A Case Study of UNDP's CAREERE Programme in Cambodia 1991-2000*. Emergency Response Division. New York: UNDP.

Yanara Chieng. 2001. A presentation at the Round Table on Reforming Technical Assistance. Turin, 3-7 December.

Background on local development funds in Cambodia ([www.uncdf.org/english/consultants/impact/cmb\\_des.pdf](http://www.uncdf.org/english/consultants/impact/cmb_des.pdf)).

*The authors gratefully acknowledge the contributions of UNDP Cambodia.*