

**CAMBODIA: RURAL INVESTMENT
AND LOCAL GOVERNANCE PROJECT
(RILGP)**

REF: CAKH519

Mid Term Review: Final Report

Prepared for:

National Committee for Sub-National Democratic Development (NCDD)
General Department of Local Administration
Ministry of Interior
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Rural Investment and Local Governance Project (RILGP)

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Acronyms

AWG	Accountability Working Group
AWPB	Annual Work Plan and Budget
CAU	Contract Administration Unit (PRDC ExCom)
CBO	Community Based Organisation
CDP	Commune Development Plan
CIP	Commune Investment Plan
C/S	Commune/Sangkat
C/SC	Commune Sangkat Council
C/SF	Commune/Sangkat Fund
CSO	Civil Society Organisation
D&D	Decentralisation and Deconcentration
Danida	Danish International Development Agency
DFGG	Demand for Good Governance Project
DFID	Department for International Development
DFT	District Facilitator Team
DIP	District Initiative Project (Danida)
DIW	District Integration Workshop
DoLA	Department of Local Administration
DPAM	District Priority Activity Matrix
EIRR	Economic Internal Rate of Return
EOP	End of Project
ExCom	Executive Committee (of PRDC)
FM	Financial Management
FMR	Financial Management Report
FR	Fiduciary Review
FU	Finance Unit (PRDC ExCom)
FY	Financial Year
GGF	Good Governance Framework
HP	Highlands People
IA	Irrigation Adviser
ICC	Inter Commune Cooperation
ICT	Information and Communication Technology
IDA	International Development Association
IDLD	An Innovation in Decentralisation and Local Development (UNCDF)
IFAD	International Fund for Agricultural Development
KABP	Knowledge, Attitudes, Beliefs and Practices
KfW	German Development Bank
LAAR	Local Administration and Reform Project (USAID)

LAU	Local Administration Unit (PRDC ExCom)
MDG	Millennium Development Goals
M&E	Monitoring and Evaluation
MAFF	Ministry of Agriculture, Forestry and Fisheries
MBPI	Merit-Based Performance Incentive
MEF	Ministry of Economy and Finance
MIS	Management Information System
MOI	Ministry of the Interior
MOP	Ministry of Planning
MOWA	Ministry of Women's Affairs
MRD	Ministry of Rural Development
MTR	Mid Term Review
NCDD	National Committee for Sub-National Democratic Development (prior to 31/12/08 known as the National Committee for Management of Deconcentration and Decentralization Reform)
NCDDS	National Committee for Sub-National Democratic Development Secretariat
NCSC	National Committee for Support to the Commune
NGO	Non-Governmental Organization
NLCS	National League of Communes & Sangkats
NRML	Natural Resources Management and Livelihoods Program
NS	National Safeguard
NSDP	National Strategic Development Plan
NP-SNDD	National Program for Sub-National Democratic Development
O&M	Operation and Maintenance
OSR	Own-Source Revenue
PACT	A U.S. NGO implementing the LAAR Program in Cambodia
PAWG	Provincial Accountability Working Group
PBC	Planning and Budgeting Committee (commune/sangkat)
PC	Procurement Committee (commune/sangkat)
PDRD	Provincial Department of Rural Development
PDWRAM	Provincial Department of Water Resources and Meteorology
PFA	Provincial Finance Adviser
PIA	Provincial Infrastructure Adviser
PID	Project Implementation Database
PIF	Provincial Investment Fund
PIM	Project Implementation Manual
PLAA	Provincial Local Administration Adviser
PFM	Public Financial Management
PFT	Provincial Facilitator Team
PMC	Project Management Committee (commune/sangkat)

PRDC	Provincial Rural Development Committee
PSDD	Project to Support Democratic Development through Decentralization and Deconcentration
PSD	Program Support Division
PST	Program Support Team
QCBS	Quality and Cost Based Selection
RGC	Royal Government of Cambodia
RILGP	Rural Investment and Local Governance Project
RILGP-AF	Rural Investment and Local Governance Project – Additional Financing
ROI	Return on Investment
RSA	Regional Safeguard Advisors
SEACAP	South-East Asia Community Access Program (DFID)
Seila	A Khmer language word approximating “foundation stone
SFD&D	Strategic Framework for Decentralization and Deconcentration
SIDA	Swedish International Development Agency
SDR	Special Drawing Rights
SME	Small or Medium Enterprise
SNDD	Sub National Democratic Development
SOE	Statement of Expenditures
SPPA	Senior Provincial Program Adviser
TA	Technical Assistance
TAF	The Asia Foundation
TOR	Terms of Reference
TSO	Technical Support Officer
TSU	Technical Support Unit
TWG	Technical Working Group
UNDP	United Nations Development Program
UNICEF	United Nations Children’s Fund
USAID	United States Agency for International Development
WB	World Bank

Map

Cambodia



Provincial Names and Codes

Name of Province	Code	Name of Province	Code
Banteay Meanchey	BMC	Krong Preah Sihanouk	SHV
Battambang	BAT	Mondul Kiri	MKR
Kampong Cham	KPC	Otdar Meanchey	OMC
Kampong Chhnang	KCH	Phnom Penh	PNP
Kampong Speu	KSP	Preah Vihear	PVR
Kampong Thom	KPT	Prey Veng	PVG
Kampot	KAM	Pursat	PUR
Kandal	KDL	Ratanak Kiri	RAT
Koh Kong	KKG	Siem Reap	SRP
Kratie	KRT	Stung Treng	STG
Krong Kep	KEP	Svay Rieng	SVR
Krong Pailin	PLN	Takeo	TAK

Executive Summary

The National Committee for Sub-National Democratic Development (NCDD) contracted a team of consultants to conduct a Mid Term Review (MTR) of the Rural Investment and Local Governance Project (RILGP). This review aimed to determine progress and identify recommendations for current adjustments to the project and lessons for future World Bank support. The review was conducted during November and December 2009 and involved a review of documents, meetings with government and donor agencies in Phnom Penh and then field visits to four provinces¹ across the main geographical zones of Cambodia. In the provinces, the Team met with provincial agencies, district administrations, commune/sangkat councils, village chiefs and villagers.

RILGP aims to contribute to rural development and poverty reduction through the provision of priority infrastructure and public goods at commune/sangkat level and by strengthening decentralised participatory local governance systems. The first phase of the project was an International Development Association (IDA) credit of US\$ 22 million from 2003 to 2007 and this was followed by an IDA additional financing grant of US\$ 36.25 million from 2008 to 2010. The project is implemented completely through Royal Government of Cambodia (RGC) systems (financial and managerial) and relies on advisory support at national, provincial and district level from the Program to Support Democratic Development through Decentralisation and De-concentration (PSDD) financed by the United Nations Development Program (UNDP)/Swedish International Development Agency (SIDA)/Department for International Development (DFID). RILGP is implemented in all communes/sangkats (C/S) and districts of 23 provinces (excluding Phnom Penh) and consists of two components:

- Component 1. Local Planning and Investment (commune/sangkat level);
- Component 2. Policy Support and Project Management (national and provincial level).

In general, The MTR Team believes that the RILGP is an excellent project that is at the forefront of development practice. The reasons for this include:

- RILGP supports an RGC national program implemented in 23 provinces (the Commune/Sangkat Fund (C/SF));
- RILGP is aligned with RGC systems and institutions;
- RILGP supports the National Program for Sub-National Democratic Development which will guide decentralisation and governance throughout all of Cambodia for the next ten years;
- RILGP supports the C/SF which provides a dependable discretionary budget to communes/sangkats and allows the leaders and people to gain experience with project management and to build good governance.

The Review has looked at the main aspects of the project and has summarised the findings below under the five evaluation criteria:

(i) Efficiency

¹ The four provinces visited by The MTR Team included: Battambang, Kampong Thom, Kratie and Kampot.

RILGP efficiency is satisfactory due to the following:

- Project uses RGC systems and structures;
- PSDD provides support (rather than separate RILGP support structure);
- Most outputs completed;
- Limited misallocation of resources due to strict procedures laid down in the Project Implementation Manual (PIM).

The issues associated with efficiency concern the reliance on technical advisers due to low salaries and incentives for government staff; relatively high percentage of low quality infrastructure projects due to poor technical supervision; and a complex PIM that places high workload demands on Commune/Sangkat officials.

(ii) Effectiveness

RILGP effectiveness is satisfactory due to the following:

- The systems in place are being used at all levels to deliver the C/SF activities;
- The funds allocated to communes/sangkats through the C/SF provide a means and motivation for people to participate in the planning process and become involved in the development of their commune/sangkat;
- The Commune Development Plans and Commune Investment Plans have the potential to reflect local priorities through a participatory planning process and these plans are prepared and used to attract resources through the District Integration Workshop.

Issues associated with effectiveness include: processes alone will not build governance and more work on civic education and empowering process are needed in the implementation of C/SF activities; the monitoring and evaluation (M&E) system lacks the data and systems to measure project effectiveness; the pace of government reform has slowed as the difficult work associated with the identification of functions and resources at various sub-national levels begins; and relatively low C/SF budgets means that projects with only limited potential benefits can be completed.

(iii) Impact

Initial impact performance for the project is satisfactory due to the following:

- Poverty levels have reduced in all provinces over the last five years;
- Poverty reduction is being achieved through commune/sangkat infrastructure sub-projects and the continued operation of participatory local governance systems;
- Benefit –Cost studies have shown that the benefits accruing to the project are of a sufficient level to have an impact on poverty reduction in Cambodia;
- Decentralisation is occurring and the project is supporting the RGC to ensure the three requirements needed for democratic decentralisation to work well are being met and improving over time: resources, powers and accountability mechanisms;
- Governance is improving at all levels as evidenced by achievements against the seven elements of the project’s good governance framework².

² The seven elements of the Good Governance Framework are: (i) procurement; (ii) financial management; (iii) disclosure; (iv) civil society; (v) complaints and remedies mechanism; (vi) sanctions; and (vii) technical quality of design and construction.

Issues associated with impact include: determining the attribution of impacts to a particular intervention i.e. how much do the C/SF infrastructure sub-projects contribute to the decrease in poverty in a commune/sangkat; and conflicting information on the impact of small rural infrastructure.

(iv) Relevance

Relevance for RILGP is satisfactory due to the following:

- Consistent with RGC and World Bank policies and strategies;
- Contributes to rural development and poverty reduction which are priority areas for the RGC.

Issues here relate to the lack of a strategic means to learn and share experiences across projects that use different approaches to development and poverty reduction.

(v) Sustainability

Sustainability for RILGP is satisfactory due to the following:

- Aligned with RGC systems and institutions;
- Builds the capacity of RGC staff and commune/sangkat leaders and people;
- C/SF meets the needs of the people as sub-projects funded are identified and prioritised through a participatory planning process;
- Building greater awareness of cross-cutting issues through the application of safeguards for all sub-projects;
- The C/SF allocation is built into law and sub-decrees every three years advise the proportion of national revenue that will be allocated to the C/SF with the proviso that the percentage cannot decrease.

The major issues associated with sustainability concern the role of PSDD advisers and staff incentives and what alternative cost effective measures are there for supporting the C/SF into the future; the low levels of education and skills of the commune/sangkat councillors and how can their capacity be built to support the process; and the issue of low government salaries and the need for skilled committed government staff supporting the communes/sangkats or using private sector alternatives to provide this support.

In the conduct of this review, the MTR Team has identified a number of areas where improvements could be made to strengthen the implementation, outcomes and impact of the project. Therefore, recommendations have been made under the following headings:

- Participation;
- Monitoring and evaluation;
- Safeguards;
- Technical support;
- C/SF Sub-Projects;
- Governance;
- Sustainability.

Table 1 below provides details of RILGP's progress against the project outcomes framework.

Table 1: Summary - Progress against the RILGP Outcomes

Development Objective/Outcomes:	Impact/Outcome Indicators:	Progress:
Contributing to rural development and poverty reduction efforts through:		
Provision of priority infrastructure and public goods at the commune level; and	ERR of the sample of sub-projects > 12%.	Socio-economic survey of C/SF road projects conducted. Concluded that the results of road projects were too dissipated to measure. Return on Investment studies indicate acceptable rates of return.
Strengthening of decentralized participatory local governance systems	Knowledge, attitudes, belief and practices (KABP) regarding good local governance improved by End of Project (EOP).	KABP study conducted in 2004 indicated that there were increases in the general understanding and awareness. Accountability, Perception and Responsiveness studies completed in 2008 indicate areas for further research since results not conclusive.
	Improved Procurement, Financial Management (FM) and Accounting practices adopted and consistently applied for Commune/ Sangkat Fund (C/SF) by EOP.	The PIM provides a good tool for improving procurement and financial management. This is applied consistently throughout Communes that are working with RILGP.
	Enhanced reporting, disclosure and complaint handling procedures adopted at commune level by EOP.	The Accountability boxes for complaints of Commune /Sangkat Council (C/SC) performance are not being utilised as expected.
Component 1. Local Planning and Investment		
1.1 Commune Development Plan (CDP) and Commune Investment Plan (CIP) prepared reflecting local priorities through participatory planning process.	Planning guidelines reflect inclusive and participatory process by end of 2008, which includes: (i) gender balance village representation in the Planning-Budgeting Committee (PBC); (ii) effective community participation including women and ethnic minorities in planning process; and (iii) wide information dissemination about planning process and results.	Process Audit on Planning not yet completed
	Preparation of CDP/CIP follows the revised guidelines and reflects local priorities in 80% of communes by EOP.	Process Audit on Planning not yet completed
1.2 C/S Budgets reflects priorities in CIPs and in place in timely manner	> 50% of C/S Budget prepared by C/SC and approved by Provincial Governor by end of Jan and 95% by end of Feb of each year by EOP.	Data available in the PID but analysis not available.
	> 95% of investments included in C/S Budget reflect priorities in CIPs.	Audit not yet undertaken.
1.3 Priority commune level investments funded through C/SF are implemented by C/SC in accordance with agreed systems and procedures	3,900 sub-projects by end of 2006 and 7,500 sub-projects by EOP implemented in participating communes.	3,951 sub-projects by end of 2006, 4,880 subprojects by end 2007 (Credit component), 1,679 sub projects for 2007 and 2008 for the Grant Component.
	> 90% of sub-projects of satisfactory technical quality standards.	Technical audits indicated that the quality of roads is acceptable but results for irrigation and water supply were unsatisfactory. According to the MTR Team, less than 90% of sub-projects meet satisfactory technical standards but this is based on anecdotal evidence and observation.
	> 50% of the final payments to contractors for sub-projects made within 12 months of budget approval	Data available in the PID but analysis not available.

	contracts and 100% within 18 months.	
	> 90% of sub-projects conform to safeguard procedures.	2007 Safeguards report undertaken. It concluded that the safeguards procedures in the PIM were not implemented very well. No proportion of sub-projects conforming to the safeguard procedures was estimated in the report.
Component 2. Policy Support and Project Management		
2.1 National, provincial and commune institutions equipped for implementation of decentralized planning, financing, management and monitoring and evaluation (M&E) of the project	100% of participating communes and sub-national support staff to receive relevant training on planning, implementation, procurement and finance systems and procedures within first year of implementation.	From information available this could not be determined.
	At least one visit per month by sub-national technical support staff to commune.	From information available this could not be determined. Information gained through the MTR fieldwork indicated that there was limited numbers of visits to the Communes by Technical Support Officers (TSO). There were regular visits and interactions with the Communes from the District Facilitator Teams (DFT).
	Program Support Team (PST)/NCDD equipped with vehicles, computer sets and photocopy machine by end of year one.	These items were in place by second year.
	Provincial Executive Committee (ExCom) units and Provincial Treasuries equipped with vehicles, computer sets, motorcycles, photocopy machines, boats, furniture sets and generators by end of year one.	These items were in place by second year.
	PST and Provincial ExCom buildings constructed/ rehabilitated by end of 2008.	Buildings constructed/ rehabilitated by end of 2009.
2.2 Sub-National Democratic and Development (SNDD) program established	National SNDD program consistent with Decentralisation and Deconcentration (D&D) Strategic Framework in place by end of Jan 2009.	National Program developed by September 2009.
2.3 Fiscal decentralization strategy consistent with D&D strategic framework and agreed Public Financial Management (PFM) reform targets developed and implemented	Revised sub-decree establishing C/SF allocations for 2008-2010 issued by late 2007.	Sub-decree issued in Aug 2007.
	Communes receive cash transfer equal to C/SF allocations within timeframe of monthly cash release by 2005 onward.	Data available in the PID but analysis not available.
	Development of strategy to increase commune own-source revenues (OSRs) by mid 2007, regulations promulgated to facilitate collection of OSRs by 2008, and implementation or strategy starting 2009.	From information available, this could not be determined.

1 Introduction

This report presents the findings from a Mid Term Review (MTR) of the Rural Investment and Local Governance Project (RILGP). The MTR was conducted over a five week period during November and December 2009 and the team which conducted the review, consisted of the following members:

- Team Leader/Governance Specialist;
- Rural Engineer;
- Social Development Specialist;
- Socio-Economic Specialist.

The MTR was implemented through the following stages:

- (i) Inception Report, National level briefings and document review: The MTR Team had initial briefings with RILGP related officers and began to review documents and organise and conduct meetings with relevant persons from RILGP, government agencies, development partner agencies, project offices and non-governmental organisations (NGO). The Team prepared and submitted an Inception Report and reviewed relevant documents provided by National Committee for Sub-National Democratic Development (NCDD) staff;
- (ii) Field Visits: As per the MTR Terms of Reference (TOR) (see Annex 1), the MTR Team conducted visits to four provinces³, eight districts and sixteen communes/sangkats (C/S) over a two week period. The provinces covered the main geographical regions and the different phases of entry into RILGP. The districts and C/Ss were selected based on poverty levels, distance from main centres and types of C/S level sub-projects implemented. Details of the field sites visited are given in Annex 3.
- (iii) Analysis, feedback and reporting: The MTR Team then analysed and interpreted the data against agreed assessment criteria and organised a workshop to present initial findings and obtain feedback from stakeholders. The Team then prepared a draft Final Report in December 2009 and a Final Report in January 2010.

Note: The MTR Team believes that the findings presented in this report are valid and robust given the discussions and field visits conducted. Although only four provinces were visited, the Team feels that the issues raised were relevant to all provinces and all issues were discussed across a range of different stakeholders to gain a better understanding of the issue. However, given the limited time for the review, the necessity to comprehend seven years of diverse work and the large number of topics included in the MTR terms of reference, it is possible that there are some points where the Team was not able to gain a full understanding of the issue and has commented inappropriately.

³ Provinces visited by the MTR Team included: Battambang, Kampong Thom, Kratie and Kampot.

2 RILGP

The Rural Investment and Local Governance Project (RILGP) was originally financed by an International Development Association (IDA) Credit No. 3727-KH (approximately US \$22 million) to the Kingdom of Cambodia. The Credit became effective on 16 September 2003 and the project was originally planned for four years, 2003 to 2006 with a closing date of 30 June 2007. In July 2007, based on the successes of the original project, RILGP was extended through an IDA Additional Financing Grant No. 3260-KH (approximately US \$36.25 million). The Grant became Effective on 10 October 2007 and the closing date of the Credit was extended for three years to 31 December 2010 to correspond with the closing date of the Grant.

The development objective of RILGP is: *“to contribute to rural development and poverty reduction through supporting provision of priority public goods and services at the commune level, as well as to promote good local governance through support of decentralized and deconcentrated participatory local governance systems at the commune and provincial levels”*.

The project has two components:

Component 1: Local Planning and Investment (\$28.45 million):

- (i) Provision of support to the decentralized planning process at the commune level, through development of five year Commune/Sangkat Development Plans (CDP), three year rolling Commune/Sangkat Investment Plans (CIP) and annual commune budgets for implementing said plans.
- (ii) Provision of Sub-project Grants for small-scale rural infrastructure investment projects at the commune level in twenty-three (23) Project Provinces identified and prioritized through the participatory local planning process.

Component 2: Policy Support and Project Management: (\$7.80 million):

- (i) Strengthening of the government institutions at all levels to enable them to implement, supervise, monitor and evaluate the Project and achieve its objectives, through provision of capacity building, technical assistance, logistical and operational support.
- (ii) Carrying out a Program for support of:
 - a. policy reform, including:
 - i. undertaking strategic studies on decentralization and deconcentration,
 - ii. formulating the national program on decentralization and deconcentration reform, and
 - iii. formulating and piloting fiscal decentralization reforms.
 - b. project management, including:
 - i. undertaking assessments of aspects of Commune/Sangkat Fund (C/SF) related to planning, budgeting, and implementation,
 - ii. conducting surveys on monitoring the socioeconomic impacts of the sub-projects,
 - iii. monitoring procurement support to respective Commune/Sangkat Councils (C/SC),
 - iv. conducting the mid-term and final Project evaluations,
 - v. conducting annual external audits of the Project accounts,

- vi. conducting process audits of planning and implementation,
- vii. conducting national-level workshops on periodic reviews of Project activities;
- viii. constructing an office building for the National Council for Sub-National Democratic Development (NCDD) Program Support Team (PST),
- ix. rehabilitating and constructing respective Provincial Rural Development Committee (PRDC) Executive Committee's (ExCom) office buildings in selected Project Provinces, and
- x. equipping NCDD Program Support Team, Ministry of Economy and Finance (MEF), PRDC Executive Committees and Provincial Treasuries in selected Project Provinces with office equipment, furniture and motor vehicles.

RILGP is being implemented in 23 of the 24 provinces (excluding Phnom Penh) and in all 177 districts and 1,545 C/Ss of the 23 provinces.

The implementing agency for RILGP is the NCDD located within the General Department of Local Administration of the Ministry of Interior (MOI) (as per Royal Decree dated 31 December 2008). The NCDD has an operational Secretariat (NCDDS) with three divisions: Program Support Division, Policy Support Division and Inter-ministerial Division. The NCDDS Program Support Division manages the operational implementation of the Commune/Sangkat Fund (C/SF) and RILGP plus other projects. The UNDP/SIDA/DFID financed Project to Support Democratic Development through Decentralisation and Deconcentration (PSDD) is the main source of technical assistance and capacity building support to the NCDD and therefore to RILGP.

3 MTR Objectives

The objectives of the MTR include:

- **assess project implementation progress to date** (at national, provincial, district and commune level) of outputs, outcomes, results and preliminary impact against objectives, targets and indicators and **provide solid recommendations for any adjustments**;
- review project implementation and results from the point of **view of decentralization and good governance**;
- give full consideration to the relevance, effectiveness, efficiency, technical quality and sustainability of both major Project components;
- review the **appropriateness of the RILGP-AF support to the ongoing decentralization** process from 2007 onwards;
- review results and lessons on **mainstreaming implementation arrangements** within the RGC systems (as opposed to unique and temporary project arrangements) and consider the possible trade-offs between short- and long-term results, sustainability and speed, capacity development and efficiency;
- assess **the effectiveness of institutional arrangements** for RILGP execution, in particular arrangements with the NCDD and MEF, cooperation with the PSDD project and with other Development Partners;
- review how **recommendations** given in the Aide Memories of Supervision Missions have been **taken into account** by the Grant holder;
- identify key issues for RGC, IDA and/or others to take up and, separately, for the **formulation of possible future IDA support** for the sector (RILGP 2 or otherwise).

The MTR was also to address a number of specific tasks as specified in the terms of reference (TOR), including:

1. Relevance of project objectives in the current conditions of Cambodia;
2. Impact of RILGP supported interventions on socio-economic, institutional and governance dimensions;
3. Effectiveness of project components and outputs;
4. Efficiency of delivery of outputs and of implementation arrangements;
5. Impacts thus far and likely long-term sustainability of impacts;
6. Appropriateness and adequacy of project design, implementation arrangements and actual processes;
7. Adequacy of arrangements and actual processes;
8. Issues to be taken up in the context of possible preparation for RILGP 2;
9. Issues to be considered in the context of further steps in Decentralization and Reform in general and in the formulation of, and preparation for, the National Plan for Sub-National Democratic Development in particular;
10. Scope and method of the envisaged base-line survey;
11. Studies to be conducted during the remainder of RILGP;

12. The relevance and application thus far of the Good Governance Framework;
13. Experience with Supervision Missions and follow up of comments and recommendations to Aides Memoire;
14. Demonstrated capacities of NCDD, MEF and MoI to supervise, manage and execute RILGP components.

In addition to a review of the current status of the project, the MTR has aimed to look more at the transition of RILGP into what the next phase of support from the IDA might be.

4 Planned and Actual Achievement of RILGP

4.1 Project Outcomes Framework

The Project Outcomes Framework (or Logframe) should be used as one of the main instruments for any project review or evaluation. Normally such a framework outlines the hierarchy of project objectives, outputs and activities with indicators to measure and assess performance and project success. In conducting the MTR an effort was made to provide some assessment of progress against this framework and this hierarchy with the information that was available. Please refer to Annex 2 for details of RILGP progress against this framework.

4.2 Annual Work Plan and Budgets

4.2.1 Overview

Overall the budget for the RILGP for the period from 2003 to 2010 is US\$ 58.25 million⁴. The project is broken up into two main components – Local Planning and Investment and Policy Support and Policy Management. The costs of the individual sub-projects are under Component one.

Table 2: RILGP Project Component Budgets – Credit and Grant

	RILGP Credit 2003 – 2010 US\$ million	RILGP Grant 2007 – 2010 US\$ million
Component 1 – Local Planning and Investment	19.0	28.45
Component 2 – Policy Support and Policy Management	3.0	7.8
Total	22.0	36.25

Source: RILGP Project Document

The following table breaks down the two components into various expenditure categories. Over eighty percent of the funds available are directed to the implementation of sub-projects. The only other significant expenditure category is consulting services but this is small relative to the size of the sub-project grants.

Table 3: RILGP Project Component Budgets Detail – Credit and Grant

Expenditure Category	RILGP Credit 2003 – 2010 US\$ million	%	RILGP Grant 2007 – 2010 US\$ million	%	Total Grant and Credit 2003-2010 US\$ million	%
1. Local Planning and Investment						
Sub-Project Grants	18.96	86.2%	29	80.0%	47.96	82.3 %
2. Policy Support and Project Management						
Civil Works	0.2	0.9%	0.27	0.7%	0.47	0.8%
Goods	0.88	4.0%	0.29	0.8%	1.17	2.0%

⁴ In this report most budget and cost figures are given in United States Dollars (US\$), however the actual credit and grant are denominated in Special Drawing Rights (SDR) and the US\$ figures depend on the prevailing exchange rate on a particular date.

Consulting Services B1	1.38	6.3%	0.68	1.9%	2.06	3.5%
Consulting Services B2			4.75	13.1%	4.75	8.2%
Workshops and Training	0.03	0.1%	0.06	0.2%	0.09	0.2%
Operating Costs	0.55	2.5%	1.2	3.3%	1.75	3.0%
Total	22.0	100%	36.25	100%	58.25	100%

Source: RILGP Project Documents and AWPBs.

Information regarding year to year expenditure was difficult to access or to determine from the information provided. The following tables (Table 4 and Table 5) outline the expenditure for the stated periods and the balance of the Credit and Grant funds to the end of 2009. The accounting for the RGC contribution does not appear in the 2009 Annual Work Plan and Budget (AWPB) as it does in previous AWPBs (no explanation could be found for this).

Table 4: RILGP Expenditure to Date – Credit and Counterpart Funds

	Original Budget		Expenditure		Balance
			2003-2008	Est 2009	
IDA Credit Funds	SDR	US\$	US\$	US\$	US\$
1. Works under Part B(2)	150,000	294,211	293,351	0	860
2. Goods under Part B(2)	650,000	865,556	866,914	0	-1,358
3. Consultant service	0	0	0	0	0
(I) under part B(1)	550,000	0	0	0	0
(ii) under Part B(2)	460,000	709,096	657,125	51,500	472
4. Workshops under Part B(2)	30,000	64,804	56,177	0	8,628
5. Sub-project Grants under Part A(2)	13,850,000	22,340,231	22,323,342	8,000	8,888
6. Operating Costs under part B(1)	410,000	0	0	0	0
Total	16,100,000	24,273,898	24,196,908	59,500	17,490

RGC Counterpart to Credit	Budget	Expenditure to end 2008	Expenditure 2009	Balance
	US\$	US\$	US\$	US\$
1. Works under Part B(2)	24,465	31,679	Data not available	-7,214
2. Goods under Part B(2)	14,100	52,908		-38,808
3. Consultant service	0	0		0
(I) under part B(1)	42,492	0		42,492
(ii) under Part B(2)	35,539	40,374		-4,835
4. Workshops under Part B(2)	0	0		0
5. Sub-project Grants under Part A(2)	0	0		0
6. Operating Costs under part B(1)	601,839	942		600,897
Total	718,434	125,903	592,531	

Source: RILGP AWPBs

Of the Grant funds it was estimated that approximately US\$ 9 million will be available for disbursement in 2010. The bulk of this is the sub-project grants. Not all of the funds maybe disbursed in 2010 however given the previous rates of disbursement in previous years.

Table 5: RILGP Expenditure to Date – Grant Funds

IDA Grant Funds	Original Budget		Expenditure			Balance
			2007	2008	Est 2009	
	SDR	US\$	US\$	US\$	US\$	US\$

Description						
1. Works under Part B(2)	180,000	272,561	0	33,061	198,355	41,144
2. Goods under Part B(2)	560,000	847,935	0	732,343	112,652	2,940
3. Consultant service	0	0	0	0	0	0
(i) under part B(1)	450,000	681,377	0	0	0	681,377
(ii) under Part B(2)	3,120,000	4,724,210	0	620,754	2,363,268	1,740,188
4. Workshops under Part B(2)	40,000	60,567	0	3,159	32,818	24,590
5. Sub-project Grants under Part A(2)	18,660,000	28,254,412	0	9,917,208	12,956,612	5,380,592
6. Operating Costs under part B(1)	790,000	1,196,194	0	16,622	70,137	1,109,436
Total	23,800,000	36,037,256	0	11,323,148	15,733,841	8,980,268

Source: RILGP AWPBs

4.2.2 Sub Projects

Up to the end of 2007, 4,880 sub-projects were implemented with a reimbursable value (C/SF contract value net of local contributions and taxes) of approximately US\$30 million from the Credit Component of the project. The average sub-project value to date, is approximately US\$6,000, and this is expected to increase over the coming years as the percentage of national revenue allocated to the C/SF increases. Table 6 also indicates that there is a lag in the rates of disbursement across financial years where most of the money is disbursed in the second year and can last up to four years.

Table 6: Statement of Expenditure by Financial Year (IDA Credit)

Budget year	# Sub-projects	Total Value	Reimbursable value	Average Project Value	Total of Statement of Expenditure (SOE) submitted by financial year						
					FY 2003	FY 2004	FY2005	FY2006	FY2007	FY2008	Total
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
2003 sub-projects	761	3,997,330	3,828,860	5,031	904,659	2,894,345	23,507	6,349	0	0	3,828,860
2004 sub-projects	1092	5,965,165	5,427,115	4,970	0	1,631,843	3,457,762	314,528	1,825	0	5,405,958
2005 sub-projects	1078	6,344,785	6,113,200	5,671	0	0	1,011,703	4,152,214	747,930	17,647	5,929,494
2006 sub-projects	1020	7,242,128	6,977,788	6,841	0	0	0	459,292	5,944,035	341,173	6,744,500
2007 sub-projects	929	6,935,293	6,682,153	7,193	0	0	0	0	0	650,308	650,308
Total	4880	30,484,701	29,029,116	5,949	904,659	4,526,188	4,492,972	4,932,383	6,693,790	358,820	21,908,812

	Proportion of Funds Expended in each Year										
2003 sub-projects					23.6%	75.6%	0.6%	0.2%			
2004 sub-projects						30.2%	64.0%	5.8%	0.0%		
2005 sub-projects							17.1%	70.0%	12.6%	0.3%	
2006 sub-projects								6.8%	88.1%	5.1%	

Source: C/SF PID, RILGP AWPBs and RILGP SOEs

Table 7 indicates that no project funds were disbursed in the first year of the IDA Grant and given the lag indicated in the table above, it is expected that disbursement would go beyond 2010. Also the average project value in 2007 is given as US\$780 which seems very low given the average value of the C/SF for each C/S. However, it would seem that while the projects were approved and listed in the PID, their value was not recorded until 2008 and this has made the average value for 2008 higher than the average C/SF value per C/S.

Table 7: Statement of Expenditure by Financial Year (IDA Grant)

Budget year	# Sub-projects	Total Value	Reimbursable value	Ave Project Value	Total of SOE submitted by financial year		
					FY2007	FY2008	Totals
		US\$	US\$	US\$	US\$	US\$	US\$
2007 sub-projects	733	593,926	571,926	780		4,209,966	4,209,966
2008 sub-projects	946	8,648,856	8,333,173	8,809		2,096,154	2,096,154
Total	1,679	9,242,782	8,905,099	5,304	0	6,306,120	6,306,120

Source: C/SF PID and RILGP Project Documents.

The main types of projects funded under RILGP were rural roads projects (See Figure 1 and Table 8). There are a number of possible reasons for this, such as:

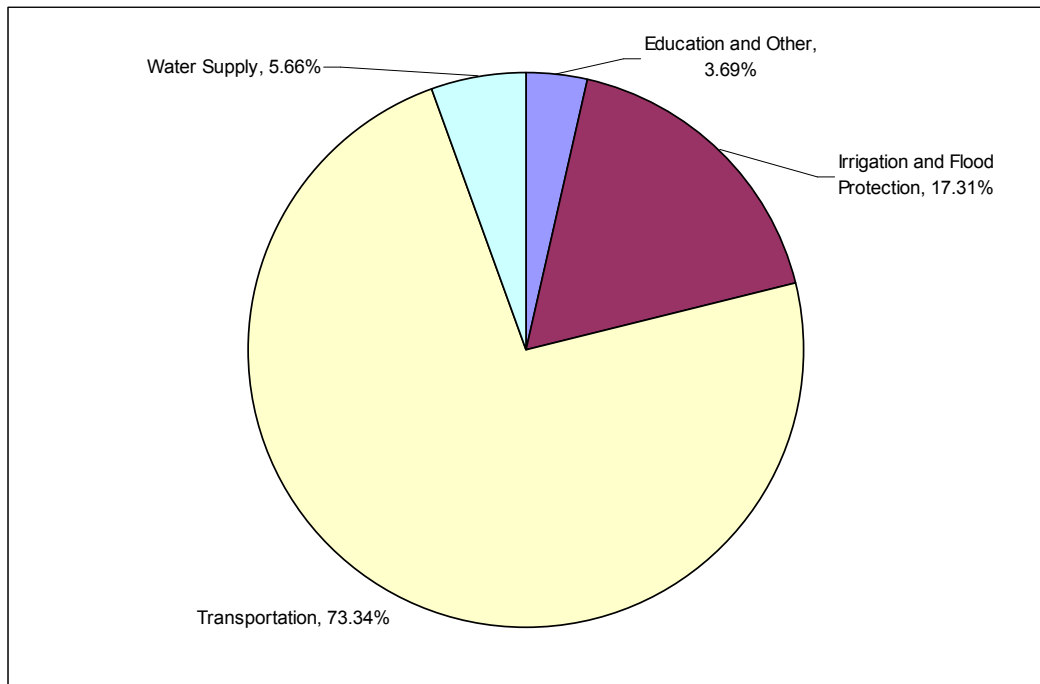
- C/Ss are more comfortable to identify, design and implement rural road projects (they are relatively easy when compared to irrigation development projects or service type projects to design, implement and monitor);
- It has been the experience of the C/Ss, that irrigation projects require more technical inputs to design and implement and hence they do not pass technical clearance as frequently as rural road projects (the irrigation projects undertaken are fairly simple in design and scope);
- the Project Implementation Manual (PIM) is designed primarily around infrastructure projects;
- the C/SF budget allocations are quite small but they are adequate for doing small (in length) road projects;
- C/S councillors can meet more local needs with road projects (with more beneficiaries) than compared to service or social type projects (in their view);
- Other donors and NGOs undertake social and service type projects and hence the C/Ss do not propose infrastructure projects for the District Integration Workshop.

Table 8: Number of Sub-Projects by Category

Sub Project Categories	2003	2004	2005	2006	2007	2008	Total	%
Community Buildings	3	5	2	2	0	5	17	0.3%
Education	47	43	37	34	17	12	190	3.0%
Health and Sanitation	6	6	2	7	1	1	23	0.4%
Irrigation and Flood Protection	117	206	248	198	149	167	1085	17.3%
Natural Resource Management	1	0	0	0	0	0	1	0.0%
Transportation	467	742	729	746	738	1175	4597	73.3%
Water Supply	120	90	60	33	24	28	355	5.7%
Grand Total	761	1,092	1,078	1,020	929	1,388	6,268	100%

Source: NCDD PID

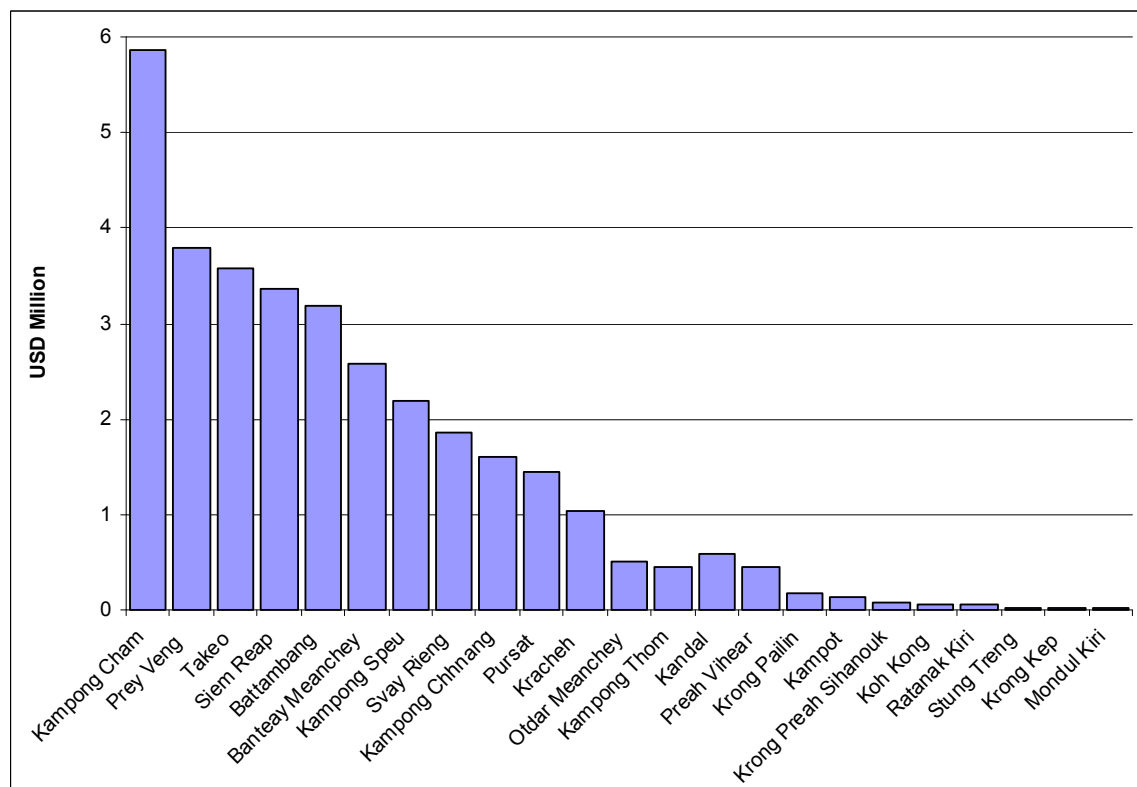
Figure 1: Proportion of Sub-Projects categories funded under RILGP



Source: NCDD Project Implementation Database (PID)

In regard to the total value of sub-projects implemented between 2003 and 2008 for each province (Figure 2), Kampong Cham province received the highest value while Mondul Kiri province received the lowest. This reflects the number of C/Ss per province and the duration the particular province has been participating in the RILGP.

Figure 2: Sub-Project Value by Province (Total)



Source: NCDD PID

Data from PSDD reveals that between 2003 and 2007, an average of 86% of the C/SF projects were reimbursed by RILGP (Table 9 – note that 2008 data were not included in this calculation as the figures are interim figures as reimbursement for 2008 sub projects is still underway and more 2008 sub projects will be reimbursed in 2009 and onwards).

Table 9: Percentage of Total C/SF Projects Reimbursed by RILGP

	2003	2004	2005	2006	2007	2008
Banteay Meanchey	91%	94%	89%	92%	74%	62%
Battambang	97%	94%	86%	91%	60%	33%
Kampong Cham	95%	96%	90%	92%	86%	45%
Kampong Chhnang		93%	89%	87%	86%	24%
Kampong Speu		94%	90%	93%	93%	73%
Kampong Thom						58%
Kampot						22%
Kandal						55%
Koh Kong						51%
Kratie		91%	90%	89%	71%	28%
Krong Kep						36%
Krong Pailin			82%	91%	93%	68%
Krong Preah Sihanouk						44%
Mondul Kiri						78%
Otdar Meanchey			82%	80%	91%	57%
Preah Vihear			83%	89%	69%	18%
Prey Veng	94%	82%	68%	57%	42%	27%
Pursat	97%	94%	90%	94%	90%	31%
Ratanak Kiri						21%
Siem Reap	97%	93%	89%	91%	95%	53%
Stung Treng						31%
Svay Rieng		91%	68%	64%	50%	35%
Takeo	91%	94%	90%	92%	86%	59%
Total	95%	92%	85%	85%	75%	43%

Source: NCDD PID

4.2.3 Surveys and Studies

Planned Studies

From the original project appraisal documents it was planned to undertake the following studies and surveys (both credit and grant periods):

1. Two follow-up studies of the socio economic base-line (part of the M&E system)
2. Specific studies on decentralization and de-concentration strategy and policy,
3. Monitoring of quality of procurement support by Technical Support Unit (TSU) to C/SC,
4. Support for Fiscal Decentralization
5. Citizen's Engagement in Budget Cycle

6. Process audits
7. Technical audits
8. M&E Baseline and Follow-up
9. C/S Accountability Board Study Follow-up
10. Budget Formulation and Execution Study Follow-up
11. Review of Safeguards Mechanism Follow-up
12. Mid-term Review
13. Future Operational Studies
14. Future Policy Studies
15. End-of-Project Evaluation

Studies and Research Undertaken (2003 to 2008)

Approximately twice the planned number of studies were conducted during 2003 to 2008 with more planned for 2009 and 2010.

1. Evaluation of the Effectiveness of the Technical Support Units
2. Provincial Budget Study and Knowledge
3. Attitudes, Practices, Beliefs follow-up study
4. Audit of RILGP accounts for 2003-2004
5. Mid-Term Review (1)
6. Process Audit of the planning process
7. Technical Audit of Sub-project outputs
8. Socio-Economic Baseline Study
9. A socio-economic impact survey (follow up survey)
10. Peer Review
11. Study of the internal functioning of the provinces (Decentralisation and Deconcentration (D&D) study)
12. Study of the accountability framework surrounding the C/S Fund
13. Annual Audit 2005 Accounts
14. A study of the District Planning Initiative
15. A study of the technical assistance arrangements for CS Fund (with MRD).
16. An Assessment Of The Effectiveness Of Safeguard Mechanisms For Land Users And Environment
17. Study of C/S Fund Accountability Groups
18. Socio-Economic Impact Evaluation of C/S Road funds
19. End of Project Evaluation (Credit Component)
20. Revision of Technical Manual and Templates for C/S Fund
21. C/S Budget Execution Study
22. Citizen's Engagement in C/S Budget Cycle
23. M&E Baseline
24. Technical Audit
25. Process Audit on Planning
26. Process Audit on Implementation
27. Follow up Study on Accountability
28. M&E Baseline (follow up on 2003)

29. Mid-Term Evaluation
30. Study for the Support to Preparation of the National Program for SNDD
31. Campaign on Awareness on Land Users' Rights

Studies and Research Planned for 2009 and 2010

32. Studies in support of Fiscal Decentralization
33. Field M&E of Revenue and Expenditure of C/S Budget
34. Develop Options for Budgeting and Financial Management (FM) at Province & District
35. Financial Audit of 2008 Accounts (completed 2009)
36. Safeguards Monitoring Support
37. Follow-up study on C/S Accountability
38. Technical Audit Forward looking study (underway)
39. Process Audit on Planning
40. Process Audit on Implementation (underway)
41. Functional Assignment for small-scale infrastructure
42. Functional Assignment for Support Options
43. Study on performance measures in C/S Fund and potential District fund
44. Social Accountability for the District Level
45. Safeguard Options at the District level

A large amount of information and lessons learned have been gained from these studies. This is a significant body of knowledge. It was not immediately apparent how the results of these studies were inculcated into the project and how management used this information and what was the subsequent actions for project operations. It appears that individual advisers are required to assimilate the results but it is not clear what follow up actions and strategies are developed as a consequence. The M&E section discusses this issue and makes a subsequent recommendation for assimilating the results of the studies and surveys for future project design and approach.

4.2.4 Goods and Works

A number of items were procured to assist in the delivery of the project in the Provinces:

- Building works (PRDC/ExCom) (13)
- Boats (12)
- Air Conditioners (24)
- Motorcycles (373)
- Vehicles (13)
- Computer and Printers (52)
- Photocopiers (15)

There were no significant issues related to the procurement and use of these items that were observed by the MTR team.

Note: There is a significant amount of information and data generated from the RILGP. Section 4 makes use of these data and information in order to assess the project outputs against the original plan. There was a challenge however in accessing reliable and

consistent data. It was found that data from different sources were inconsistent and did not match. This was found to be the case within the PID itself, for example. In some cases the reporting of information and the format in which it was presented changed over time. Section 4 uses the data that were made available and where there were obvious inconsistencies then those particular data were not used.

5 Analysis and Interpretation

5.1 Project Design

5.1.1 Project Design

In the opinion of the MTR Team, the project design is relevant and appropriate to the Cambodian situation and is reviewed under the following headings:

(i) Working with RGC Institutions

The RILGP works closely and supports RGC systems and procedures through the NCDD under the Ministry of Interior. This is in contrast to some other donor or NGO projects that establish project management units or insert project staff within the government departments reporting under separate management arrangements. This often creates parallel management structures within the government system and there can be a lack of coordination with the government when these other donor and NGO projects do not communicate effectively with their government counterparts.

The RILGP has also contributed to the capacity development of government systems and processes (such as the development of the PIM) which is used at all levels of sub-national government. The RILGP through its approach to working through RGC institutions has contributed to:

- Building government management capacity in the area of project management and implementation at all levels
- Improved the knowledge base and learning of government staff involved in the project
- Encouraged the building of communications and relationships between different levels of sub-national government
- Supporting the C/S planning process and the delivery of priority infrastructure projects.

(ii) Method of Funds Disbursement

The method of channelling funds through the C/SF process is an effective method for supporting the decentralised fiscal and project implementation system at the C/S level. The method of reimbursement for projects that meet certain criteria and safeguards is an incentive for the government to implement sub-projects that meet these criteria, hence improving the quality of the outputs of these sub-projects and the procurement and implementation of the sub-projects. This is a more sustainable methodology than just channelling funds through a project account which is normally closed when the project has finished. Using the C/SF system and a method of funds disbursement contributes to making the system more effective and improving the processes.

(iii) Direct Support Funds

The funds were applied based on C/S priorities which were developed through a participatory process at the village and C/S level. This allowed C/Ss to develop skills and experience through this process (including the implementation of sub-projects), it provided a motivation for people to spend the time and effort to plan, and it allowed them to determine the allocation of funds to their priority needs, which in turn built local governance processes. Earmarking funds would not have been as effective. Influencing C/Ss and villagers in their decision-making process would not allow for local governance to develop as effectively as allowing people to decide for themselves. The application of funds however was biased towards infrastructure sub-projects largely because these

projects seem to be a priority but also the PIM is biased towards implementing these kinds of projects.

(iv) Utilisation of Funds

The PIM has been the main driver behind the improved accountability and transparency for the utilisation of the funds, with strong support from the PSDD advisers in the Provinces. There are very detailed and strict procedures to be followed in the PIM for procurement. The collection of data is also a positive point for the RILGP with its presentation on the web-based PID. This allows for transparency for those who have internet access. There could have been more effort made to feed information back to the District and C/S level (improved transparency) including the results of the selection process as well as the progress of implementation, all of which is stored in the PID. The handling of complaints system is in place but not being utilised. The Accountability Boxes are not being utilised as a mechanism for receiving and dealing with complaints. Issues with the Accountability Boxes are discussed in a separate section of this report.

5.1.2 Project Objectives

The development objective of RILGP is: *“to contribute to rural development and poverty reduction through supporting provision of priority public goods and services at the commune level, as well as to promote good local governance through support of decentralized and deconcentrated participatory local governance systems at the commune and provincial levels”*.

This objective is consistent with national strategic objectives and the ongoing decentralisation of functions to the sub-national levels as mentioned in:

- The Rectangular Strategy for growth, Employment, Equity and Efficiency in Cambodia (2004 & 2008) which has good governance at its core;
- The Strategic Framework for Decentralisation and Deconcentration Reforms (2005) which has two strategic goals of strengthening democracy and reducing poverty;
- The draft National Program for Sub-National Democratic Development (2009) which is currently under development also focuses on democratic development and poverty reduction.
- The National Poverty Reduction Strategy Paper.

RILGP is therefore aligned with RGC objectives and provides ongoing support to the RGC to stay the course as it moves ahead with the difficult work of convincing ministries to decentralise and improving service delivery to people throughout the country.

5.2 Institutional Arrangements

5.2.1 Institutional Aspects

RILGP works within existing RGC institutions and structures and no project-specific entities were created for RILGP implementation.

At the national level, NCDDS manages the implementation of RILGP. NCDDS receives support from the PSDD in terms of technical advisors (part time for RILGP) and RILGP itself, also provides seven advisers to NCDDS. NCDDS has three divisions (changing from being called teams): project support division; policy support division; and inter-ministerial division. Staffing levels in NCDDS would seem to be low (based on the routine duties currently done by advisers) and the World Bank (WB) has been urging

NCDDS to recruit new staff. Some new staff have been contracted to the NCDDS in the last year and these are beginning to become functional.

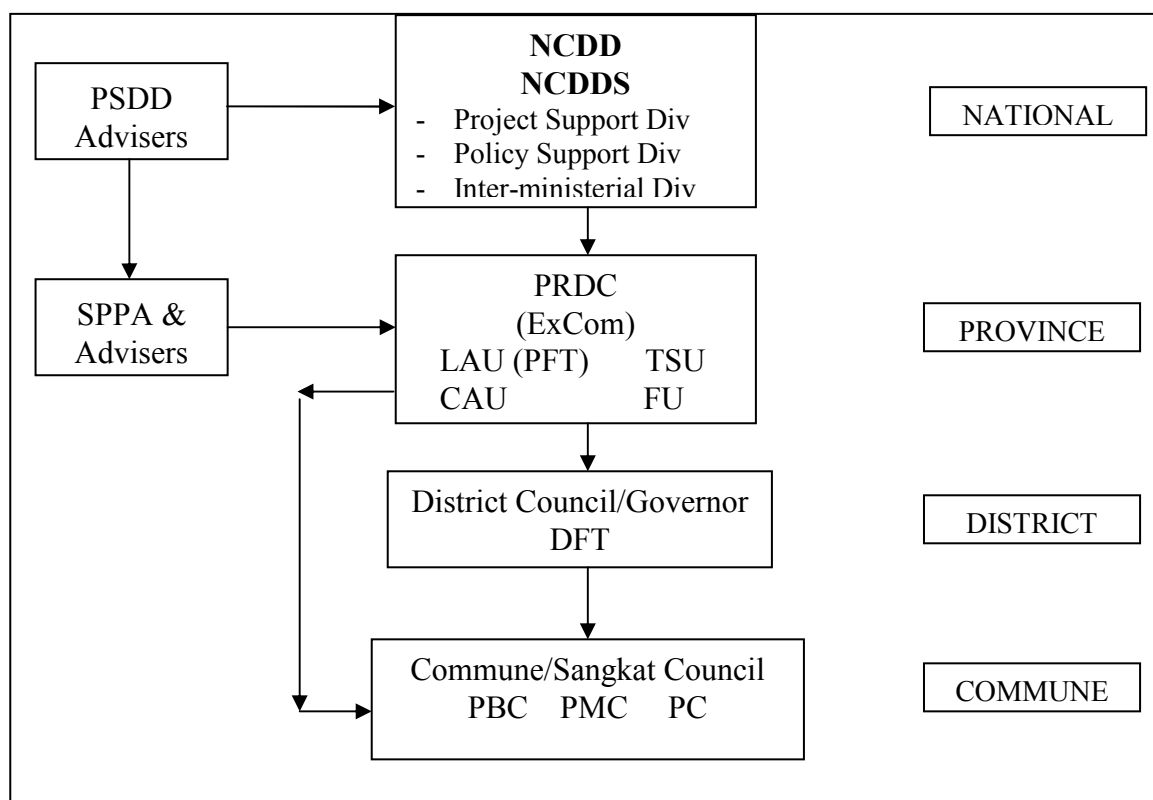
At the provincial level, the Provincial Governor chairs a Provincial Rural Development Committee (PRDC) and its Executive Committee (ExCom), through which the C/SF (and RILGP) are implemented. PRDC membership includes the provincial departments of planning, economy and finance, agriculture, water resources and meteorology, women's affairs, rural development and treasury. The PRDC ExCom has four management units:

- Local Administration Unit (LAU): administration, capacity building and M&E;
- Contract Administration Unit (CAU): contract administration and M&E;
- Finance Unit (FU): provincial finances and C/SF finances;
- Technical Support Unit (TSU): sub-project feasibility studies and designs, assist C/SC to manage competitive bidding, contracting and to supervise implementation.

The situation is expected to change soon as responsibility for the C/SF will move from the PRDC to be directly under the Provincial Governor. Details are not yet available as to how and when the change will occur but there do not appear to be any issues for the continued implementation of RILGP.

A Provincial Facilitation Team (PFT) is established at provincial level to provide support to each District Facilitator Team (DFT) and also directly to C/SCs.

Figure 3: C/SF Institutional Structure (including RILGP)



Note: Figure 3 shows the institutional structure in transition: at the national level, the Figure shows the new approved structure which is not yet fully operational e.g. the Inter-Ministerial Division is not yet functioning; at provincial level, this is the old structure which is due to begin changing in early 2010.

At the district level, the situation for district involvement has changed with the recent council elections in May/June 2009. District Councils have begun to meet but are awaiting clear responsibilities and guidelines. The District Governor remains responsible

for administrative and technical issues and the DFT are selected from district line agencies. These DFT receive training and support from provincial staff especially the PFT and are responsible for supporting approximately three C/Ss each. In 2009, there was a relatively high turnover of DFTs due to the district council elections and many DFTs became Councillors. Therefore new DFTs have to be trained to perform their duties. DFTs support the C/SCs to facilitate all administrative work (meetings, planning and budgets) and development work (safeguards, M&E, accountability). However the capacity of the DFTs to provide more than simple administrative support seems limited. Few DFTs consulted could discuss any aspects of development or governance topics (apart from the accountability box and participation of people in meetings) and it was assumed that the DFTs would be the major change agent within C/Ss promoting good governance with the council and the people. This may be a function of the quality and scope of the training program for DFTs, as after five years of C/SF activities (including training and experience), the capacity of staff involved in the program should be reasonably high. While the MTR Team did not experience any training activities, there were some comments that indicated that the quality of training given to DFTs and C/SCs was poor. If the provincial and district administrations are expected to take on the full responsibility of supporting the C/SCs in C/SF activities, then they need competent people to provide this support. A competency based training program based on needs analysis would be appropriate in this case to build sustained capacity at province and district level to build capacity at C/S level.

At the C/S level, the C/SC is the elected body which has operated since 2002 and had its second elections in 2007. This body is currently responsible for administering all C/S level activities. The only civil servant in the C/S is a Commune Clerk. The C/SF operates in the C/S through a number of committees:

- Planning and Budget Committee (PBC);
- Procurement Committee (PC);
- Project Monitoring Committee (PMC).

Membership of these committees comprises one or more C/S Councillors plus Village Chiefs and community representatives. In most cases the proportion of women in the C/SCs and committees is small but growing. C/SCs admit that they need support from the DFT to complete most of the activities under the C/SF. Capacity of C/SCs is again an issue and a competency based training program is required to build this capacity. One related issue is that many members of the C/SC are elderly and many have low education levels and any training program will need to acknowledge this and build an appropriate program.

5.2.2 Aid Management

This section refers to the experience with WB Supervision Missions and the follow-up of comments and recommendations made in Aides memoire.

Table 10 looks at the recommendations raised in the Aides Memoire of WB missions in 2008 and 2009. The top topics include finance, management and safeguards. While finance and management topics remain strong for all visits, the safeguard topics seem to have eased in 2009 as people have become more aware of what is required.

Table 10: Topics raised in World Bank Supervision Missions

Topics	Apr 2008	Oct 2008	Apr 2009	Aug 2009
- Institutional	6%	0%	3%	5%

- Finance	47%	29%	26%	56%
- Management	24%	36%	39%	17%
- Safeguards	12%	32%	29%	17%
- Governance	12%	4%	3%	5%
Total	100%	100%	100%	100%
Number of Recommendations	17	28	31	18

In terms of unresolved issues, the following appear to have been problematic over time:

- Low NCDD staffing levels was an issue through 2008 and 2009 but this now appears to have been resolved;
- Improving the effectiveness of the national and provincial Accountability Working Groups (AWG) remains an issue and is still pending;
- Issues associated with safeguards have reduced but some still remain pending in terms of operationalising and improving the relevance and effectiveness;
- Financial matters is an ongoing issue but no single issue remains outstanding, rather it is the continual follow-up of financial matters that is stressed by the WB.

The Aides Memoire with their list of agreed actions are a useful management tool for NCDD and WB to monitor progress on issues and to serve as a reminder for NCDD follow-up.

5.2.3 Technical Assistance

There are various levels of Technical Assistance for the implementation of the good governance reform program as laid out in the National Strategic Development Plan (NSDP, 2006-2010) of the RGC. RILGP and PSDD are complementary and create a good synergy for governance through a defined decentralization process. An NCDD Program Support Team (soon to change to Division) (NCDD/PST) was established to manage the operational implementation of the C/SF and RILGP, among others. At sub-national level, implementation arrangements are under the mandate of the ExComs. Technical assistance at the national and provincial level has until now been provided by PSDD advisors under agreement with the PSDD Development Partners (UNDP, SIDA and DfID) and this will, as presently planned, continue to be provided until the end of 2010 (with the exception of DfID but RILGP will provide funds for 2010). In addition to this arrangement, RILGP has some advisors of its own. These National and International Advisors are advising on infrastructure, irrigation, safeguards and national coordination.

In terms of administration, RILGP relies on the NCDD which is thinly resourced, while for technical assistance, it relies on the PSDD at national and provincial levels. At national level, the advisors seem to do most of the administrative work associated with RILGP (as there are few NCDD staff to do this work) and this detracts from their role of continually improving the quality of the C/SF/RILGP. At the provincial level, the advisory team is lead by a Senior Provincial Program Advisor (SPPA) and usually has advisors in the following skills: local administration, infrastructure, M&E and finance. It would seem that these advisors tend to be more involved in actual operation, than in advising and building capacity of their government counterparts. The provincial advisors generally feel that more support is needed from the national level in solving their problems. Provincial Infrastructure Advisers (PIA) indicated that often, the response from national level to technical issues raised by them, is not always adequate. Most national and international advisors seem to be overly involved with activities at national level and

do not visit provinces often enough to carry out the tasks as described in their job description. In some cases there is overlap between the job descriptions of various advisors. In these cases, job descriptions need to be revised. The National RILGP Coordinator seems to function well in providing overall support at the National level. The National and Regional Advisors on safeguards claim to be overloaded with work and suggest adding one new Regional Safeguard Advisor. In conclusion, the advisors seem to be the ones who are driving the C/SF and RILGP and certainly the programs presently could not operate without them. However, given that UNDP is seeking to develop an exit strategy for advisors during the next phase of its PSDD, NCDD and RILGP should also develop a strategy for the sustainability of C/SF activities.

5.2.4 Financial Systems

Funds used under the C/SF are transferred from the MEF using the Provincial Treasury. Some donors that support projects at the C/S level allow the C/SC to open commercial bank accounts to make payments under these projects. In addition, some donors are using commercial bank accounts primarily for NGOs, as well as to provide direct support to the C/Ss. For example, for the Local Administration and Reform (LAAR) Project, the 60% contributed by PACT/United States Agency for International Development (USAID) is transferred through the commercial bank while the 40% C/SF contribution is transferred through the Provincial Treasury. The NGO partners that are contracted directly by LAAR to support activities, receive their funds through the commercial banks. There is still pressure from the donor community, to allow the C/Ss to have access to commercial bank accounts and to account for the transfers from the C/SF. Some donors prefer to direct their support to specific C/Ss and for specific purposes. The Danish International Development Agency (Danida)/Natural Resource Management and Livelihoods (NRML) Program allocates US\$6,000 for a better off C/S and US\$8,000 for a poor C/S. The money is transferred through ACLEDA Bank and then it is transferred to Provincial Treasury and then it is used by the NRML target C/S.

Annually the MEF sends the budget allocation for the C/SF to each province specifying the amount for each commune. However during the MTR Team visits to C/Ss, people in the C/Ss (including DFTs) did not know how the allocation for each C/S was determined and what criteria were used. In one C/S they thought that the increase in C/SF amounts for 2010 was due to the increase in salary for the C/SC members.

Payments made under the C/SF currently follow the provincial mode of disbursement, where the Provincial Treasurer disburses the payments to the contractor from the C/S account based on a payment order from the C/S Chief. Financial control can be done by requiring a certification of acceptable sub-project implementation from the TSU. The certification should be issued after due inspection of the constructed sub-project. In addition, representatives of the project beneficiaries and/or people's organization or NGO operating in the commune should also sign the acceptability certification. These stakeholder groups should be identified at the outset of the project and can participate in the project progress and quality monitoring. This is another means for increasing beneficiary participation and empowering people to be responsible for what happens in their C/S.

5.2.5 Development Cooperation

The main mechanism for government and development partner cooperation is the Cambodian Development Coordination Forum and the Government Donor Consultation

Committee and its 18 technical working groups (TWG). These TWGs have government and donor representatives and meet quarterly. The Decentralisation and Deconcentration (D&D) TWG is chaired by the Ministry of Interior and the World Bank and the United Nations Children's Fund (UNICEF) will be co-chairs starting in January 2010. The focus of these groups is meant to be aid effectiveness, disbursement and national priorities. The harmonisation of approaches across donors remains an issue and RGC is unwilling or unable to strengthen its position with donors and getting them to align projects more closely with government systems and priorities.

Currently there are three main types of donor projects:

- Use State Treasury - funds included in C/S budget and project uses RGC systems (including the PIM);
- Use commercial banks - funds included in C/S budget and project uses RGC systems;
- Use commercial banks - project has separate systems and procedures.

Most donors are reluctant to place funds into the State Treasury due to the fiduciary risk and lack of accountability. During its field visits, the MTR Team heard that there are also delays and difficulties in getting funds or being paid from the Treasury. For this reason, RILGP and other donors are investigating or already using commercial banks.

The year 2010 will be a transition year as the National Program for Sub-National Democratic Development (NP-SNDD) should be finalised and started to be implemented and donors will have a clearer idea of RGC priorities and what their role could be to support this.

5.2.6 Project Implementation Manual

The Project Implementation Manual (PIM) is a very complete and comprehensive manual that covers all aspects of the implementation of C/SF sub-projects in sufficient detail. However the time required to fill in all of the necessary forms and follow the required procedures is time consuming. Once the project is ready for implementation, that is when the contract has been signed, the rainy season has mostly started and this complicates construction works for infrastructure projects. This problem was acknowledged by the Project and software was developed (the Project Generator) to shorten this process by automatic generation of forms required for a particular output and filling in parts of the information automatically extracted from databases.

However the Project generator is not yet operational in the provinces and conclusions on the use and meeting its objectives cannot be drawn yet.

The Process Audit on the implementation of C/SF sub-projects that is presently being carried out, will provide more details on the functioning of the process and the areas of concerns in using the PIM. The MTR team had several discussions with the field staff that carried out the interviews and focus group discussions and there is a general agreement with their provisional conclusions.

5.2.7 Monitoring and Evaluation

(i) M&E at the C/S Level

At the C/S level there are a number of designated persons for M&E. The M&E process largely revolves around the implementation of the project with reference to the technical and time based considerations of the project. It is largely a contract compliance exercise. C/S and Village leaders have been trained in M&E and are responsible for monitoring

implementation progress. Often rural road projects take about two to four weeks for construction, hence the monitoring period is relatively short.

The PIM provides guiding principles in this process. It is an appropriate degree of M&E at this level. It is also supported by the DFTs and the PFTs and Technical Support Officers (TSO). The C/Ss require technical support from the Province however to ensure that the quality of the project is of an acceptable standard. This is an important part of the monitoring process and quality can be compromised if this aspect is not undertaken as required.

(ii) M&E at the Provincial Level

Monitoring information (progress on sub-projects) is collected at the provincial level (from information sent by the C/Ss and DFTs to the PIA). Inspections are to be carried out by TSOs and PIAs, however it appears that this is not done as regularly as it should be. The information of sub-project implementation is entered into the PID by the PIA.

(iii) M&E at the National Level

At this level, the information of the PID is analysed to track implementation progress. Also studies are undertaken to ensure technical processes and budget execution are being followed according to the PIM. Other studies are undertaken (such as socio-economic studies, baseline and follow up surveys, Knowledge/Perception/Attitude surveys, Returns on Investment) to evaluate outputs and outcomes of the project. Furthermore, it was reported by provincial level and district level authorities, that an updated M&E system (18 forms) will be implemented at the C/S level in early 2010.

(iv) Surveys and Studies

Two socio-economic surveys (baseline (2003) and follow up (2008)) were undertaken throughout the life of the project. The baseline survey measured a number of variables related to measuring socio-economic conditions. The design of the survey placed some limitations on the ability to directly measure the attribution of the project to improving socio-economic conditions. This is a challenge for many projects however that attempt to measure impact through quantitative survey work unless there are specific variables to measure attribution or there is some qualitative work undertaken to complement the quantitative methods. The nature of the road projects (small and dissipated) may have made it difficult to measure impact through quantitative measures alone. There was not a baseline conducted in 2003 on governance and participatory indicators. This was a major focus of the project but no measures were taken. The Knowledge/Perception/Attitude surveys conducted in 2008 go some way to measuring the level of public understanding and attitudes to local government, but there are no variables measured on participatory or governance processes at the local level (as indicated in the Logframe) but this did not link in with the Knowledge/Attitudes/Beliefs/Practice (KABP) study that was conducted in 2004. There seemed to be limited connection between the Logframe and the actual studies and surveys conducted and the analysis of the results.

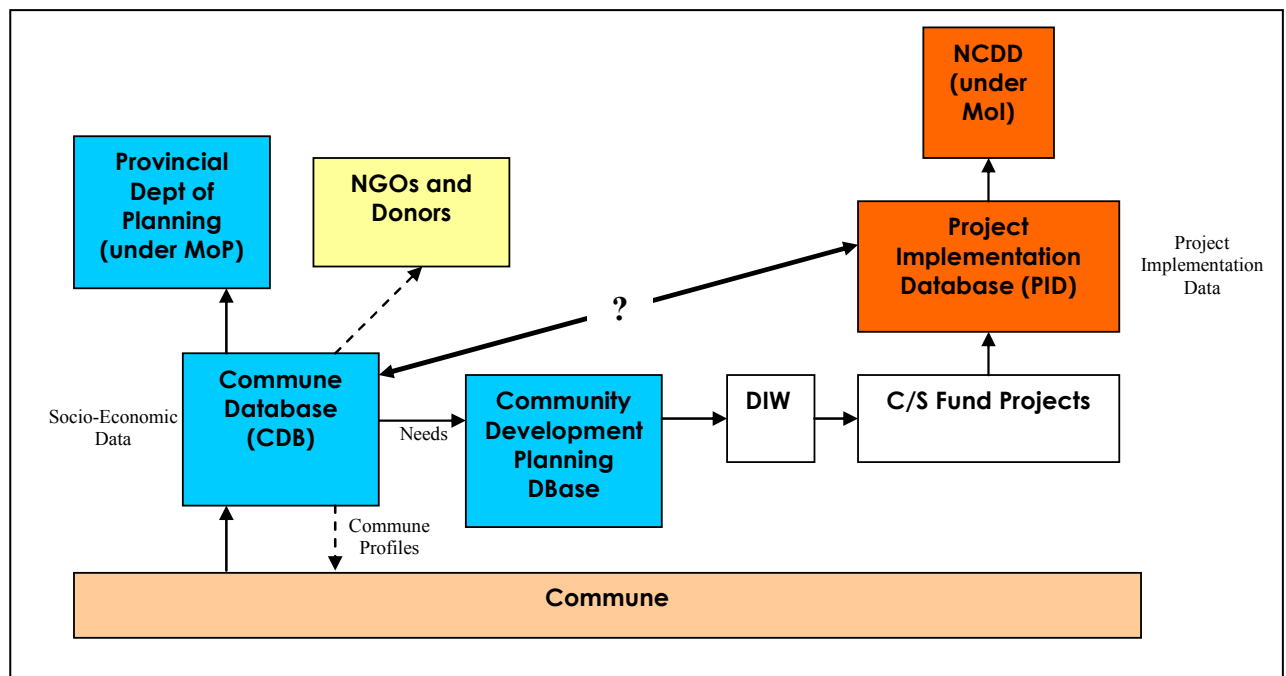
There were a large number of studies conducted under the RILGP. There is a significant body of research and information available as a result. The risk however is the absorptive capacity (time and workload) of the NCDD staff, the RILGP and PSDD Advisers to assimilate the results of these studies and turn them into action for future project implementation. The NCDD Staff and Advisers are already engaged in large amounts of work. Furthermore the approach to contracting out research tasks in the form of studies can exacerbate this problem since the NCDD staff and Advisers are external to the

learning process that is being undertaken by consultants who conduct these studies. It is recognized however that the same time and workload constraints mentioned above impact on the NCDD and Advisory staff to lead or participate in the research assignments. There would be some cases however where a full research study may not be required and a series of fieldtrips and consultation activities may suffice (a similar approach that was undertaken for the MTR). This would have the benefit of improving the learning process of the NCDD staff and the Advisors (especially if there are new Advisors on the team) and it establishes and consolidates relationships with Provincial Staff and Advisory team.

(v) Data Collection and Information Flows

Apart from the PID, established under the NCDD, there are other data sources that are being compiled at the C/S level and the village level. The main other data source is the Commune Database managed by the respective Provincial Departments of Planning. The only linkage between the CDB and the PID is the indirect linkages through the planning processes at the C/S level.

Figure 4: Data Collection and Information Flows



Currently both databases are separate and have no direct links. The CDB provides information on a large range of socio-economic indicators, including:

- household economic activity
- agricultural productivity
- housing conditions
- irrigation and access to water sources
- composition of ethnic minorities in C/Ss
- length of canal and rural roads
- participation in community groups at the C/S level.

Furthermore there is an “upward” flow of data and information to NCDD through the PSDD team. There is a significant amount of information that is being collected and will be potentially collected in the future. There needs to be a method of managing this data

and information and extracting relevant facts and pieces of information to meet the requirements of the Logframe (and measuring success) but also to satisfy the needs of the senior management in NCDD. To address this situation there could be a series of standard management reports extracted from the M&E system and the PID to be used at a management level but also having these reports disseminated to Provinces and Districts to indicate the measure of success they are achieving in key areas of management. There needs to be a “downward” flow of information back to the Provinces and Districts.

(vi) Logframe

The challenge for the project was how to implement certain studies and surveys and measure the performance against the Logframe. In other words there was no M&E plan. It is important for a project of this scale to have an M&E plan to measure and evaluate progress against the original project objectives. The Logframe should be the basis for the M&E plan. In the previous review of the project (Mid Term Review 2006) there was a suggestion to revise the Logframe. This should occur for any extension or new phase of RILGP. Upon reviewing the Logframe a relevant M&E plan should be developed in conjunction with a new Logframe. The Logframe should be one of the key reference points for the project for measuring success. See Annex 6 for a suggested template for an M&E Plan linked to the Logframe. Table 11 provides some suggested indicators that could be considered in the Logframe and used for project M&E or in the project management information system (MIS). These indicators provide proxy measurements for governance and participation at the local level as well as information that can be used on a regular basis for management reporting.

Table 11: Suggested Indicators for Project M&E and/or Project MIS

Indicator	Description	Explanation
Technical Clearance of Projects	Measure the time taken for a project to get technical clearance.	This can be used as a means to measuring the effectiveness of the approval process. The objective would be to reduce this time. Consistently higher rates potentially indicate design or process issues.
Completion of Projects	Measure the time taken from contract signing and project completion/sign off	This can be used to indicate issues in implementation.
Local contributions	Measure the amount of local contribution to the projects	This can be used as a measure of people’s willingness to pay or the C/S’s ability to mobilise own resources. The development of trust of people in their government should lead to increases in local contribution
Complaints from Villagers	Measure the number of complaints regarding projects (complaints related to quality, contractor performance, etc)	Currently there are no complaints being registered in the accountability boxes. Initially one would want to see an increase in complaints (to indicate that people are becoming more involved in the process) and then later see the number of complaints decrease and issues are responded to by the government.

Indicator	Description	Explanation
Number of Beneficiaries for each project (gender disaggregated)		This would indicate coverage and potential impact
Proportion of projects that are Reimbursed		This would give an indication of the level of quality of projects (based on the PIM) being designed and implemented by the C/Ss. One would expect to see this proportion increasing over time.
Adoption of new techniques to other areas of public sector management		If the management techniques learned from the project (ie systems and processes under the PIM and other training) are adopted to other areas of public sector management then this is a benefit in terms of public sector management capacity building
Turnover of elected C/S Officials	Measure the rate at which C/S Councillors are voted out of office.	This could measure the relationship with the community based on the responsiveness of these elected officials to meeting local needs.

5.2.8 NGO Inputs

Among the four visited provinces during the mid term review it was indicated by the C/SCs that there are a number of local and international NGOs operating at the C/S level. They are active in a number of (non-infrastructure) areas such as:

- income generation and livelihoods;
- local governance;
- agriculture improvement;
- nutrition and health care;
- human rights;
- domestic violence;
- child care;
- land use rights.

Most of the responses from the C/SC members indicated that NGOs have no involvement in the development of the CDP/CIP. It appears that they have no involvement in the “official” planning and participatory sessions conducted by the C/S. They will of course conduct their own sessions depending on their organisational agenda and workplan.

When the C/Ss present their plans and priority projects at the District Integration Workshop (DIW), it is here that the NGOs mostly begin their involvement with the C/Ss. The NGOs will assess the priority projects presented and then form Temporary Agreements (a promise to fund the project but not a firm commitment of funds at this stage) with the respective C/Ss, regarding the projects that they will support. The main feature of this process is that much of the time the C/S priority projects do not get funded and the NGOs will propose their own projects that they have decided are priorities (this may be that the NGOs have their own ideas about what is a good project for the C/S to have or the C/S “projects” may not be suitable for that particular NGO to support – in terms of its objectives and design). This system is termed “internal” and “external” projects. Internal projects are those that are identified by the C/S and are in the CDP and

external are those projects (not in the CDP) but are identified and supported by the NGOs, line Departments and donors. Feedback from C/SCs during the MTR indicated that on average, approximately 45% of projects implemented in the C/Ss, are internal projects (ranging from 72% to 14% in the MTR provinces). Therefore, in many cases, there is no relationship between the prioritised projects in the CDPs and the projects that actually get funded and implemented in the C/Ss. In several cases, it was only the C/SF which funded a prioritised project.

The bias of the C/SF being applied to infrastructure projects, comes from the structure and purpose of the PIM, but some of the bias comes from the tendency of the NGOs to only fund non-infrastructure projects. Normally the C/SCs present larger infrastructure and non-infrastructure projects at the DIW because they know that these are the projects that have a higher likelihood of being funded by NGOs, donors and line Departments. The smaller infrastructure projects are most likely earmarked for the C/SF before the DIW. This demonstrates that the C/Ss are beginning the process of identifying funding sources that match with their project types.

Most of the NGOs implement projects that tackle specific poverty issues that are not related to D&D. The LAAR Project (PACT Cambodia) however works in the area of local governance and supports the mobilisation of local capacity for civic engagement (more details are provided in the Comparative Analysis Section). Another NGO, The Asia Foundation (TAF) has begun a program of work related to the building of civil society and civic capacity. TAF manages the non-state actor's component of the Demand for Good Governance Project (DFGG) (World Bank funding) and is implementing the Program to Enhance Capacity for Social Accountability. This program seeks to support access to information, monitoring, social audit and mediation of community disputes at the village level. The modality is to invite proposals from NGOs for grants to undertake this work. The TAF and LAAR (PACT Cambodia) Projects are complimentary to the objectives of RILGP, PSDD and NCDD programs for D&D. Closer liaison between these stakeholders would be beneficial for RILGP in terms of a learning and information sharing process.

5.2.9 Private Sector Inputs

The involvement of the private sector in the RILGP and C/SF projects has been limited to involvement of the construction contractors. Projects under RILGP are predominantly infrastructure and hence Community Based Organisations (CBOs) are usually not involved in these projects. CBOs and local NGOs are generally more suited to social and community development type projects.

Table 12: Total Contracts for C/SF

Budget Year	Total
2003	761
2004	1,092
2005	1,078
2006	1,020
2007	929
2008	1,388
Grand Total	6,268

Source: RILGP Infrastructure Adviser

Table 12 indicates that the number of contracts for C/SF projects rose sharply from 2003 and then rose again in 2008. These numbers can be compared with the number of pre-qualified contractors in Table 13 who are available to take on the contracts. It should be mentioned however that the number of contractors cannot accurately be measured on an annual basis due to limitations in the collection and storage of the data in the PID. The information is stored on a name basis and hence differences in spelling will inflate the numbers tallied. This relates to the accuracy of the PID and the MTR suggestions for making adjustments and corrections in the data. In 2009 there has been more detailed data collected on the number and type of contractors. This type of data collection should continue on an annual basis.

Table 13: Number of Contractors Pre-Qualified for C/SF by Class (2009)

Province Name	Tot	Class						
		1	2	3	1&2	1&3	2&3	1,2&3
Banteay Meanchey	30	10	26	3	4			1
Battambang	31	3	11	3	13			
Kampong Cham	104	33	92	7	21	1		3
Kampong Chhnang	23	22	21	3	21	2		
Kampong Speu	34	5	31	4	3	1		1
Kampong Thom	29	27	16	1	15			
Kampot	29	18	17	5	10	1		
Kandal	68	42	65	1	39	1		
Koh Kong	28	28	24	3	24			3
Kratie	27	12	24	3	9		3	
Mondolkiri	6	6	3		3			
Phnom Penh Municipality	24	22	21	2	17			2
Preah Vihear	14	5	11	1	3			
Prey Veng	86	42	74	10	10	1		9
Pursat	44	39	25	2	18	2	19	
Ratanakiri	11	6	5	1	1			
Siem Reap	44	39	35	1	30			
Sihanoukville	18	11	16		9			
Stung Treng	12	12	4		4			
Svay Rieng	21	14	17	3	7			3
Takeo	50	12	48	5	8		1	3
Otdar Meanchey	14	12	13		4			
Kep town	4	4	3		3			
Pailin Municipality	6	2	4					
Totals	757	426	606	58	276	9	23	25

Source: PSDD/NCDD

- **Class 1: General Construction Contractor** (buildings and concrete works etc).
- **Class 2: Earthworks Contractor:** Canals, Dams, road earthworks, laterite roads, etc
- **Class 3: Specialist Contractor:** (contractor who has special equipment and special technical capacity e.g. “Well Drilling”)

As mentioned above, there has been limited private sector involvement, except through the involvement of private companies for constructing C/SF rural infrastructure. Another possible avenue for increasing private sector involvement is at the C/S level where C/Ss may be interested to engage an individual engineer or private engineering firm to provide advice and support to project design or advice on the quality of outputs of a contractor. This would reduce the reliance of the C/S on the TSO at the province (since TSOs operate on limited budgets and do limited technical checking on site) and allow the C/Ss to have independent advice and support. This would also reduce any potential collusion that may

occur between the TSO and the contractor in an environment where the C/S may not be technically competent to assess construction quality.

5.3 Implementation – Component 1 – C/S Plans & Budgets

5.3.1 Participation

In many cases, development institutions and donors are trying to get full participation of the direct beneficiaries in the development process which ultimately should lead to their ownership of the project and thereby to sustainability. However, the degree of success in getting full participation varies tremendously from place to place, from province to province and from region to region due to traditions, socio-cultural contexts, education, poverty, etc. Participation seeks to empower people to mobilize their knowledge and resources for development and have them become decision makers on interventions which impact on their lives. However, this does not just happen and needs to be facilitated throughout the whole development process. The success of the empowering process depends on the skill of the facilitator and on characteristics of the people such as level of education, access to services and information, exposure to external influences, etc.

The basis and the mechanism for participation is described in the following documents: The process for the CDP is explained in the Guideline on CDP/CIP (2007) which describes the five steps of the CDP planning cycle. Article 64 of the Law on the Administration of Communes (Khum-Sangkat) states that “The Commune development plan must also determine the methods and means to provide possibilities for the participation by the citizens of its Commune (Khum-Sangkat) throughout the whole process.” Article 12 under Prakas 98 on Development Planning states that “depending on their specific circumstances and on the human and technical resources available to them, the commune/sangkat councils may adopt different methods and techniques to comply with the requirements stipulated in this prakas, in the preparation of their commune/sangkat development plan.”

For the C/SF (and RILGP), the participation of the people (direct beneficiaries) should occur during the CDP planning phase and then through the design, implementation, supervision and evaluation of all sub projects implemented under the CDP.

The MTR Team found that there was a complication in promoting participation as people in the C/Ss visited, understood that their participation in the development of their villages and C/Ss was the cash contribution. The word participation in Khmer “Choul Roum” is usually understood by village people as meaning contribution.

(i) Participation in Planning and Needs Assessment

In villages visited by the MTR Team, participation in the village needs assessment meetings conducted by the PBC, ranged from 52% to 84% of households and the proportion of women attending ranged from 52% to 68%. These are relatively high rates of participation in total and especially for women. However, talking to groups of villagers during the field work of the MTR, most of them, who attended the needs assessment meetings in 2009, did not remember the topics of the meeting/discussion. They simply attended the meeting as they were asked by the C/SC or village authority. PBC and villagers indicated that the needs assessment meeting (Step 2 of the CDP planning cycle) usually lasted for only two hours. This step is generally used to get the agreement from villagers on a list of issues prepared in advance by the C/SC and the PBC. There was little evidence of people contributing new ideas, but in some cases they were able to vote on the priority of the pre-selected issues. Therefore, there are a number of factors that constrain beneficiary participation in the needs assessment meetings, including:

- Time for the needs assessment meetings is too short as it does not give villagers enough time to digest and discuss their needs. Therefore they simply put up their hands to agree with the people who facilitate the meeting.
- The past top-down development approach is still a barrier for people to speak in public meetings. It is not only the development approach but the education from primary to university which hardly allows students to question their teachers. Therefore changes should start from the schools, so that Cambodia could produce a young cohort who are comfortable challenging and questioning things.
- The capacity and skill of the facilitators (DFT and PFT) are still limited although they have received considerable training including planning, budgeting, facilitation skill, good governance, monitoring and evaluation, etc. They are government officials working for the provincial departments or district offices of environment, women affairs, information, commerce, planning, rural development public works, religion, education and agriculture. However when talking to them, it seems that the low incentive they receive, affects their full commitment to work with the C/SC.

As described above, the Law on the Administration of Communes (Khum-Sangkat) Article 64 allows the C/SC to determine the methods and means for the participation of their citizens. To increase villager involvement in the needs assessment, the PBC can organize focus group discussions by using brainstorming techniques rather than just presenting assembled villagers with a list of activities and ask them to agree by raising their hands. However to do this, they must learn the techniques through learning by doing with good facilitators with them, at least for the few first meetings and thereafter let them work on their own.

In the C/S planning process the PBC and C/SC play an important role in determining the prioritized activities for their C/S. Under Article 13, Step 3 it provides the chance to focus the council's attention and efforts on the priorities at the C/S and village level. But cross checking is needed for ensuring that the prioritized activities reflect C/S/villager needs rather than personal biases and interests. This could comprise a group of independent persons who are contracted by NCDD to do the annual random checks to make sure that beneficiary needs are reflected.

Under the present development context, in order to build up decentralized governance at the C/S level, greater effort is needed to build the capacity of the C/SC members which allows them to be more accountable to their people who vote for them. However, the C/SC members might change after their term of five years, but some members of the PBC would continue (village chiefs and representatives of beneficiaries). In this case, capacity building should focus on these persons so that they could share their experience and knowledge with the newly elected C/SC members.

It is also apparent that the facilitators (PFT and DFT), that are assigned to work with the PBC, are themselves ill equipped to apply truly participatory processes. This is not unique to RILGP/NCDD, as the MTR Team has observed similar experiences in other projects in Cambodia, where many facilitators lack the skills and experience to truly facilitate effective participation. Some of the DFT are senior officials in the districts including Deputy Governors and even these people were not able to facilitate effectively even though they had received good training. The position (hierarchy) of government officials and the perception of the villagers of these government officials, means that villagers are very reluctant to discuss issues in meetings.

Conclusions:

- A needs assessment meeting which lasts for two hours and merely presents a list of activities identified by the PBC does not constitute a participatory meeting in which people express their real needs. Additionally, the limited capacity in facilitation skills and the low level of understanding of PBC members and DFT and PFT of the needs assessment process (gathering information, analysing problems and decision-making by the grass roots level) leads them, to a large extent, to select the simplest option for a priority ie infrastructure activities.
- The C/SC members have their term to serve people in their C/S and therefore capacity building for them would have limited sustainability unless they are re-elected, however this is not the case for most PBC members who continue to work for their C/S.

(ii) Participation in Sub-project Implementation

The most important aspect of this process is that beneficiaries, including village chiefs and C/SC members, are not aware of the detailed design of the sub-projects. For example, when the MTR Team met with the Village chief and villagers in Bour Run village, Ampil Pramdoeum commune, Bavel district, Battambang they said that they knew the original design of the canal that was requested in 2007 but the implementation was in 2009 and the design had been modified without letting beneficiaries know. During the construction, the beneficiaries complained about the length of their canal and the contractor showed them the new design. Also, some C/SC members in Kbal Damrei commune, Sambour district, Kratie said that the quality of their village track was poor, but they not submit any complaint. C/SC members in Trapeang Pleang commune, Chhuk district, Kampot did not agree with the technical performance of the contractor (compacting soil not according to standard) but the TSO said that it was good enough. So there are issues with the sharing of information about sub-projects to the beneficiaries and this indicates that there is little or no participation from beneficiaries in sub-project implementation.

The new PIM (January 2009) states that for every C/S sub-project, the C/S Chief must establish a Project Management Committee (PMC), by the C/S decision. The role of the PMC is to support and advise the C/S Chief and to participate in project preparation. The C/S Chief can invite field staff from development agencies or representatives from local organizations to be observers at the PMC meetings. Examples of such sub-projects include school building project, a health post building project, public infrastructure or service projects. The members of the PMC are the C/S Chief, a member of C/S Procurement Committee and one beneficiary from each village that has a sub-project located in their village.

In general, beneficiaries are not part of the implementation process because they are not empowered to do so and there is generally little information shared with beneficiaries. However, although the PMC members have little knowledge of the sub-project and in many cases have low education, they can play an important role in monitoring the implementation of the sub-project contract. In addition, if information about the sub-project is shared during the opening day of the construction by inviting beneficiaries to attend and listen, they can assist to monitor the implementation progress.

5.3.2 Accountability

Public administration reform is one of the four core governance reforms undertaken by the RGC. A skilled, competent, efficient, effective and transparent Civil Service is essential

to the Administration becoming a valued and trusted factor and partner in the development of the country. To comply with the governance reform and WB demand, in the PIM, it is stated that each Province/Municipality must set up its Accountability Working Group to ensure the accountability, transparency and effectiveness of the utilization of all funding sources implemented at the sub national level under the NCDD Annual Work Plan and Budget for the C/SF. Each working group consists of 21 persons representing different units and institutions and the governor and his deputies, NGO representatives and private sector.

People and stakeholders have the right to report complaints about irregularities and issues related to utilization of funding sources at sub-national level by submitting complaints in an “Accountability Box” located near their house. It is also possible for people to telephone Provincial Accountability Working Group (PAWG) members to report a complaint. During the field work the MTR observed that Accountability Boxes were usually hung in front of the C/SC offices and many were covered with spider webs indicating that the boxes are not used. Also very few complaints were received to date in 2009. In some C/Ss, they have tried to locate the boxes in other places such as the markets, schools, pagodas, etc. There are indications that the people do not yet know what is the function of the Accountability Box.

More effort is needed from PFT and DFT to work with villagers about the Box. Another downside to the box is that it has become synonymous with accountability – when the MTR Team mentioned accountability in a C/S or district, people immediately referred to the box – implying that the box now has become the main mechanism for accountability rather than accountability being a principle adopted by officials and the people.

The MTR Team discussed accountability with villagers and found that there are several reasons why people do not use the box or submit complaints:

- The word Accountability is a direct translation from the English version which is not so easy to understand even by many educated people. A similar finding was also made by the AWG study done in 2007⁵.
- Beneficiaries are not willing to complain. They said they should not complain about their C/SC members because they bring projects to their village and also not complain about contractors because they build the roads and canals for them.
- Beneficiaries cannot complain because they do not know the details of the project. Details of the sub-project are not presented to them as described in the PIM. In some cases the village chiefs and C/SCs do not know the details.

The other important point is that the key of the Accountability Box is kept by the DFT but he/she just takes the contents of the box to the two appointed members of the PAWG to open, classify and screen the collected complaints. Taking the contents of the Box away from the C/SC avoids collusion between the DFT and concerned persons at the C/S, but it does take responsibility for the issue away from the C/SC and does recentralise responsibility away from the C/S to provincial level which goes against the efforts to decentralise. The mechanism for reporting back on the complaint to the beneficiaries is not clear or well understood. The PAWG adopts, reviews and implements disciplinary

⁵ Jenny Noelle Knowles (2007), Assessment of Commune/Sangkat Funds Accountability Working Groups.

measures or sanctions on persons/staff who have been found to have been involved with misuse of funding sources. The PAWG monitors the implementation of all sanctions which have resulted from complaints made to the PAWG and which are being applied by other institution or agencies.

Ideally, the C/SC should be the main point for any complaints that people wish to make about irregularities with the C/SF or any other aspect of life in the C/S. If the C/SC does not act on the complaint or provides no feedback or explanation, then the people need to be able to seek recourse from someone in a higher position. This could be done through offering people several options to lodge such a complaint, such as telephone calls, SMSs, direct in-person reports, independent bodies, etc. Telephone calls to a district hot-line may not be appropriate for all, due to the availability of telephone services, accessibility to public phones and the cost. A user-friendly system could be developed which allows people to select the reason for their call by clicking appropriate numbers. An SMS text message to a district hot-line number could be the cheapest and easiest option and a similar type of system is already in use in Cambodia for market information at the Ministry of Agriculture. Direct in-person reports to a district representative may be an option but cost and people's shyness in dealing with government officials may be a problem. As NGOs are present in most communes in Cambodia, delivery of complaints to them may be a good option as they should be independent and be able to act as intermediaries between people and government.

Another issue concerning accountability is where the bidding process for awarding contracts to contractors was moved to the district level. This was done to reduce costs and make it easier for contractors to attend the bidding, as they found it difficult to attend meetings at every C/S. However, this is another example of recentralising functions away from the C/S and reducing the responsibility and accountability of the C/SC to their people. The move followed PIM regulations as Section 4.1 of the PIM states that the C/S Chief shall carry out all procurement of works, goods and services for projects implementation, following the rules and regulations on procurement within C/S Financial Management System issued by the MEF. However, the move has reduced the transparency of the bidding process and C/S people cannot directly see and understand how the contracts were awarded.

5.3.3 Gender

Gender is a cross-cutting issue that seeks to bring about an equitable and stable gender balance (between men and women, boys and girls) in the access to goods and services and participation in, and receiving benefits from, the development process at all levels. However, the PIM does not contain specific steps on gender or gender mainstreaming.

During its work on this review, the MTR Team observed the following, with regards to the representation of women in RILGP/C/SF activities:

- The physical representation of women beneficiaries in needs assessment meetings is quite good (between 50% to 70% of meeting participants were women) in terms of bringing them to the public meetings, however their participation in the discussion of their needs or sharing problems they face, is still poor. However, it would be reasonable to believe that some of the women's preferences are being included in CDPs given the high levels of representation at meetings and also given the increasing number of women on the PBC and in the C/SC.

- In meetings with the MTR Team, while women were present, most discussion was dominated by the men who took the lead in answering questions. However this observation should not be conclusive because the MTR team are outsiders whom the women did not yet trust.
- Among the PFT and DFT, approximately 10% to 20% were women.
- Among C/S Councillors, there was at least one and sometimes two women councillors;
- One of the female elected C/S Council members is assigned to be responsible for the gender related activities in the C/S however if there is no female member elected then the C/SC should employ a woman on an annual contractual basis using their C/SF administrative budget to pay for her salary support;
- Among C/S committees, between 10% and 40% of committee members were women;
- At district level, 50% of districts visited had a woman as deputy governor;
- At provincial level, there were very few women as government staff in the management units or as advisers (except for Battambang Province which had two women advisers including the Provincial Infrastructure Adviser);
- At NCDD level, there were probably the least number of women involved as staff or advisers, with some women working in the contract and finance area.

The conclusion from this is that the C/Ss and districts are doing more to include women in the C/SF activities than is happening at the higher levels.

5.3.4 Safeguards

The technical clearance process for the sub-projects includes the safeguards checklists and assessments – environmental, land acquisition and highlands people safeguards. There is a National Advisor on safeguards at NCDD and three regional safeguard advisors based in Kampong Speu, Kratie and Siem Reap provinces. It was indicated by the advisers interviewed that the challenges to applying the safeguard tools and assessment were:

- Heavy workload in applying the safeguard tools – many forms to fill for small sub-projects;
- The environmental safeguard focal point in the Provinces is not included in the ExCom and hence their participation in this forum is constrained or excluded;
- The Provincial environmental focal points claim that they are constrained to undertake safeguards work, due to the work demands from their respective Provincial departments and there is limited funding available for them to carry out their tasks (plus no salary supplements which is a de-motivating factor);
- It appears that knowledge on environmental impacts of the C/S projects is limited among field staff (DFTs and PFTs) and C/S members;
- Motivation to apply environmental safeguards is also limited by C/S members as they don't appear to see the importance of this (they report that environmental issues are important but don't seem to believe that the projects they are implementing have significant environmental impacts for example);
- There seems to be limited understanding of what environmental issues are and what problems can be caused by them at the C/S level (certainly there has been no consideration of the environmental and health related problems caused from dust from laterite roads).

It was indicated by the provincial advisers that to date, there have not been serious concerns with safeguards on the sub-projects. During the MTR field work it was observed that roads and irrigation sub-projects are mostly built on existing structures or involve rehabilitation of existing structures and generally roads are less than 2 km due to the limited C/SF budget – all of which possibly confirm the adviser’s comments.

A total of 14 forms are required for the three safeguard studies (if all three safeguards are required) regardless of the size of the sub-project. The completion of these forms needs skilled and experienced persons, to facilitate the meeting with project beneficiaries, analyse information and to complete the forms. With the current shortage of experienced and knowledgeable staff (DFTs, PFTs) to undertake this detailed process with an appropriate level of quality, it is understandable that the safeguards assessments may not have been properly carried out according to the guidelines described in the PIM. This may not be a “global” project issue but it warrants attention.

In order to implement safeguard policies and practices at the C/S level, the DFTs and PFTs will need to be more active. It appears that any training or support given to DFTs and PFTs so far has not been that effective given their low level of motivation or understanding on safeguard issues. The issue of incentives will also be a constraining factor on the ability of the DFTs and the PFTs to undertake fieldwork with the C/S members on safeguard issues.

In relation to land, the C/SCs often prefer not to conduct land user’s rights’ disclosure and awareness, as they are afraid that this will lead to more claims for compensation and the level of C/SFs available are not sufficient to pay for this. Land acquisition reports, including land survey maps, minutes of land disclosure and land voluntary meetings are not always correct or complete. During the fieldwork, the MTR team was not able to view these minutes because the Commune Clerks or DFTs were not able to locate them and produce them for review.

To avoid problems related to safeguards, many C/SCs will avoid sub-projects that affect highland people’s spiritual places and any major issues surrounding land acquisition. For example, in a C/S that was visited by the MTR in Kratie Province, the original plan was to construct a new road in a village where ethnic minority people live. But after consultation with the beneficiaries, they changed the project to construction of wells for potable drinking water. The reason was that the proposed road disrupted a spiritual site.

Related to the consultation process with the villagers, it was observed by the MTR in some cases, that there was lack of consultation with villagers regarding land acquisition for the project. Villagers are happy to know that a new road or an existing track will be upgraded to a road but they are unaware of the implications of the project until construction starts and are unaware of their rights to compensation. There was one example highlighted during the MTR in Kampong Thom Province where some private land had to be used and some fruit trees needed to be removed to make way for the road. The landowner was not aware of the implications until the road was being constructed. However, the landowner agreed to the contribution of the land and the removal of the fruit trees due to the perceived benefits of the road. It was not clear how agreement was reached in cases where there are disputes that have arisen from lack of proper consultation. Therefore it appears that more consultation is required in communities regarding these issues and especially with the people who will be directly impacted. This will be constrained however by the lack of human and financial resources available to support the C/Ss to do this effectively.

The MTR did not find any instances where compensation has been paid for land acquisition for sub-projects. In many cases villagers were required to contribute voluntarily (land and/or cash) to the project. For the purposes of voluntary community

contributions, only minor contributions (no more than 5% of any holding of productive land, or buildings or other fixed assets worth no more than \$100) should be sought and/or accepted; voluntary contributions should not be sought or accepted where they would significantly harm incomes or living standards of individual owners or users.

In meeting with beneficiaries it was indicated to the MTR Team, that they were aware about the PIM but they were simply asked to contribute land and trees along the rehabilitated roads or canals. It appeared that they were not aware of compensation issues and the guidelines for voluntary contributions. In general it could be concluded that beneficiaries are not aware of the specific limited percentage or the given amount of money which they could claim for compensation.

Most officials who have responsibilities with the C/SF projects are focused upon service delivery and the associated technical issues and bidding/contracting arrangements. Consequently they tend to downplay the need and practicality of the guidelines, and sometimes consider them to be obstructive. This is compounded by the fact that (a) everyone is stretched with their work load that also involves other duties, (b) most C/SF project related activities are done within a time frame of one to three months, and (c) there have been limited trainings on safeguards (Safeguard Assessment Report 2007).

In Cambodia, the Khmer represent almost 90% of the nation's population, although there are significant non-Khmer groups including Vietnamese, the Cham, Lao, Chinese, Westerners, and indigenous ethnic groups. There are Highland People (hill tribe or ethnic minority peoples) living all across Cambodia, although the main concentrations are in the four north-eastern provinces which have the following proportions of Highland People as a percentage of their total population: Rattanakiri (66%), Mondulkiri (71%), Kratie (8%) and Stung Treng (7%). The highland people are perhaps the most disadvantaged population group in the country, due primarily to the region's geographic isolation. These marginalized populations have not been integrated into mainstream society and face numerous problems.

Among the four north-eastern provinces, Kratie started to receive the C/SF from 2004 while the rest began in 2008. The total number of C/SF contracts for the four north-eastern provinces was 276 of which 202 contracts were completed and the remainder were cancelled (Table 14). This cancellation of contracts was mainly in 2008 when the prices of oil and other construction materials increased and some projects could not be completed with the new costs. Most of the C/SF projects were rural roads. The cost of individual projects ranged from US\$778 to US\$11,326 with an average of US\$5,195. However, a report done in 2009⁶ found that C/SCs thought that the impact of C/SF projects on Highland People was not high, and certainly not when compared to economic land concession.

Table 14: C/SF Projects in North-Eastern Provinces

Province	Year	Projects: Contracted	Projects: Completed	Cost
Steung Treng	2008	15	5	\$15,031
Rattanakiri	2008	28	8	\$55,030
Mondulkiri	2008	2	2	\$11,039
Kratie	2008	36	5	\$35,249
Kratie	2007	39	26	\$194,628

⁶ RILGP/RGC (2009), Working on Safeguards Report (a report based on the safeguards workshops).

Kratie	2006	52	52	\$273,637
Kratie	2005	53	53	\$267,455
Kratie	2004	51	51	\$197,352
Total		276	202	\$1,049,421

Source: NCDD PID

After the revision of the PIM, three safeguard trainings of two days each were conducted at ExCom offices in Kratie, Kampong Speu and Siem Reap with total participants of about 100. The report on working on Safeguards March 2009 reported that the survey was conducted to get the opinion from PFT, DFT, LAU, TSO, etc and it concluded that the Highland People Safeguards were a new procedure in the newly revised 2009 PIM and were relevant only in a few areas in the country, and therefore knowledge and skills on these issues were still limited. Therefore, the approach should be to target the training and awareness on the Highland People Safeguard to those areas for which it is relevant and build the skills of staff in these areas to ensure that the concerns of the Highlands People are considered and that projects meet the needs of Highland People.

5.3.5 Technical Support

At present all technical services for feasibility study, survey, design, procurement and construction of C/SF infrastructure projects are provided by the Technical Support Units (TSU) under PRDC-ExCom. TSU consists of Technical Support Officials (TSO) seconded from within the Provincial Departments. Although they are acting as engineers/technicians, only a minority of TSOs have formal technical qualifications. Most of them, and in some provinces all, are unable to use an automatic leveling instrument for surveying of longitudinal profiles and cross sections for earth work calculation and invert levels of water crossing structures. Most of them are computer illiterate and have no English language skills. They are provided with a salary supplement of \$US80 per month, which was substantial in 1996 when it was first introduced, but is now less than what a semi-skilled manual worker earns in the private sector. The TSO's principal duty is to assist C/S, but the C/S Chief almost never expresses his dissatisfaction with the quality of service received. Their view is often that it is inappropriate to complain about something that is given for free by the government. During MTR discussions at the selected C/Ss, C/SC Chiefs, C/S Councillors and beneficiaries often voiced their complaints but never blocked payments. Their main complaints were about the unit price (they compared it with C/SF road projects of previous years and with other road projects within their C/S), the construction quality (rate of compaction and thickness of laterite) and the fact that the TSO did not respond satisfactorily to their complaints.

The C/SF sub-decree explicitly identifies survey, design and construction supervision as elements of the capital investment eligible for funding from the C/SF resource. However to date, C/SCs have not made any contribution to the cost of engineering services. In some cases during MTR discussions, the C/SC mentioned it as an option but seemed to be unaware of the necessary steps to be taken to make it happen. They also showed some restraint in openly criticizing the TSO.

In addition to the work for the C/SF, the TSU is often assigned additional technical tasks on behalf of PRDC-ExCom or in relation to other project funds that are not implemented through technical departments, for example the District level investments.

However, comparing this workload to the resources allocated to the TSU indicates that the system does not allow the TSU to expand when budgets are increased. In Kampot there has been a vacancy for an additional TSO for a long time and no one has applied for the position.

A study to assess alternative options for provision of the TSU services was included in the RILGP AWPB for 2007. The study was never concluded as the consultant experienced serious health problems during his assignment. The Terms of Reference for a similar study were formulated in August 2009 and a consultant started on this assignment in December 2009. The study objective is to design a pilot of private sector provision of engineering services to the clients, the District and C/SCs in Cambodia. A range of options are to be piloted in selected districts with different characteristics to test and prove the different options.

5.3.6 Local Contribution

Data extracted from the PID indicates that the proportion of funds from local contributions to C/SF sub-projects has declined for the period from 2003 to 2008 (Table 15). It also shows that Phnom Penh has the highest level of contribution and while there was some decline in the percentage in past years, the figures are back to prior high levels. All other provinces which started with high levels of contribution have decreased to low levels similar to those provinces which started at much lower levels in 2003.

Table 15 Proportion of Local Contribution to C/S Fund Projects

Province	2003	2004	2005	2006	2007	2008	Average
Banteay Meanchey	10%	5%	5%	3%	2%	2%	5%
Battambang	3%	3%	4%	3%	3%	3%	3%
Kampong Cham	5%	4%	4%	2%	2%	2%	3%
Kampong Chhnang	10%	8%	8%	4%	4%	3%	6%
Kampong Speu	12%	6%	3%	3%	3%	2%	5%
Kampong Thom	3%	3%	6%	2%	2%	2%	3%
Kampot	12%	6%	6%	4%	3%	4%	5%
Kandal	6%	5%	3%	3%	2%	2%	3%
Koh Kong	3%	3%	3%	1%	1%	2%	2%
Kracheh	10%	7%	5%	3%	2%	1%	5%
Krong Kep	0%	4%	4%	3%	3%	3%	3%
Krong Pailin	3%	3%	3%	2%	2%	2%	3%
Krong Preah Sihanouk	9%	8%	6%	2%	0%	1%	4%
Mondul Kiri	3%	3%	1%	1%	0%	0%	1%
Otdar Meanchey	11%	3%	2%	1%	1%	1%	3%
Phnom Penh	12%	11%	9%	8%	11%	11%	10%
Preah Vihear	8%	5%	3%	2%	1%	1%	3%
Prey Veng	6%	8%	6%	2%	3%	2%	4%
Pursat	3%	6%	3%	1%	1%	1%	3%
Ratanak Kiri	2%	2%	2%	2%	1%	1%	2%
Siem Reap	3%	6%	7%	4%	4%	3%	5%
Stung Treng	3%	3%	5%	5%	3%	2%	4%
Svay Rieng	4%	6%	7%	2%	2%	3%	4%
Takeo	10%	6%	5%	3%	2%	2%	4%
Grand Total	7%	5%	5%	3%	3%	2%	4%

Source: NCDD PID

Note: The data in Table 15 had a number of outliers and hence these were removed. Ensuring the data in the PID is of a sufficient quality to undertake this kind of calculation is important for M&E as well as informing NCDD management of trends in different variables and indicators.

It is not conclusive as to why the proportion of local contribution is generally declining but possible explanations could be:

- Local contributions remain at a stable level but the value of the C/S budgets each year is increasing;

- People are less happy with their C/SCs and are less willing to pay;
- More contributions are being paid in-kind and the real values are not being recorded;
- People who are wealthier will pay more (higher contributions for Phnom Penh compared to Mondul Kiri for example).

During the MTR focus group discussions, it was indicated by C/SCs that getting local contributions was one of the main challenges for them. Getting it in the form of cash was difficult and some received it in the form of in-kind contributions such as bags of rice, which were then sold and the cash registered as local contribution. In most cases there wasn't a recording system of how much was paid and receipts were not generally given. Provision of in-kind support which is then sold for cash is not a transparent method of collecting local contributions since the final price for which the goods are sold and what is then given to the C/SC is open for misuse.

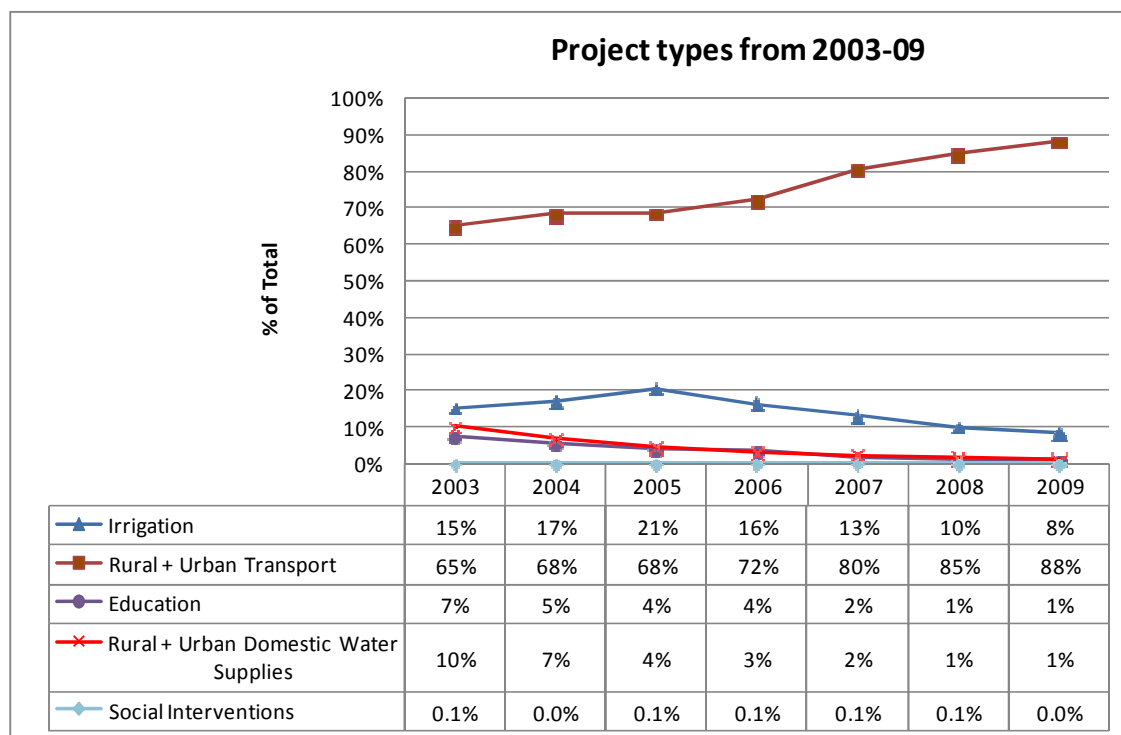
The proportion of local contribution could be used as an indicator of people's willingness to pay. Given the many unofficial fees that are usually paid for government services, they may feel reluctance to pay any more, hence the difficulty to get cash from villagers. If the villagers can see a direct benefit from their contribution, this may improve their willingness to pay. Over time, with improved governance and responsiveness from elected C/S officials and improved performance of the C/S in general, people will be more willing to pay fees for services.

5.4 Implementation – Component 1 – C/S Sub-Projects

5.4.1 Scope of Projects

A wide range of local infrastructure projects are eligible for funding under the C/SF and RILGP reimburses infrastructure projects that meet certain eligibility criteria such as compliance with the PIM and safeguards. However in practice, an increasing percentage of C/SF subprojects is for road improvement subprojects. Figure 5 below shows that road subprojects as a percentage of total subprojects, has risen from 65% in 2003 to 88% in 2009.

Figure 5: C/SF Sub-Project Types: 2003 - 2009



Notes: Data from PID database
Data of 2009 not yet fully updated
Remaining 1 to 3% of projects includes a range of types (e.g. agriculture, sanitation)

The most thorough general assessment of the physical quality of C/SF infrastructure outputs was the Technical Audit carried out in 2005 (CADTIS Co. Ltd) . This study found that although there were numerous minor defects of design and construction, the great majority of project designs were appropriate to purpose and substantially achieved the project objectives. However, this finding reflected that most of the projects sampled were simple, repetitive and made use of standard design details with which the Technical Support Officials (TSO) and the contractors were familiar. When projects required non-standard design details, or where the standard design details were extrapolated or adapted beyond reasonable limits, the results were often poor.

The most important defects of the “worst case” projects were attributed to:

- Low qualifications and inexperience of the Technical Support Officers;
- Lack of access to specialist technical expertise, particularly for design of irrigation structures and their inter related complexity;
- Over-complexity or lack of clarity on some of the standard designs;
- Construction during the wet season, particularly of drinking water wells;
- Poor quality workmanship;
- Poor coordination or inadequate definition of responsibilities of different stakeholders, leading to acceptance of inadequate quality work.

5.4.2 Road Subprojects

(i) Rural Road Policy of Cambodia

During the last few years there have been major developments on all issues relating to the rural road sector in Cambodia. These initiatives include:

- Draft Transport Sector Strategy, which was submitted to the Inter-ministerial Re-organization Committee (IRC) in 2006⁷.
- The Strategic Plan for Rural Roads developed for MRD under the South East Asia Community Access Program (SEACAP) 6 "Cambodia Infrastructure Research" which aims to provide a strategic review of the current status of rural transport infrastructure development in the country, and the areas where further support could be channelled by DFID and other international donors⁸.
- MRD Policy for Rural Roads, which is necessary to provide a detailed and clear policy for rural roads supported by a detailed action plan for pursuing the policy⁹.

The following sections highlight the key issues of the strategy that relate to the C/SF funded road projects.

(ii) Road Classification

The 2002 Policy for Rural Roads defined the road network as follows:

Non Urban Roads categorised as:-

- National A (Ministry of Public Works & Transport)
- National B (Ministry of Public Works & Transport)
- Provincial (Ministry of Public Works & Transport)
- Other Rural - which are the responsibility of Ministry of Rural Development.

The functional categorisation of the Other Rural roads was considered necessary to enable ownership, responsibilities, resources and management to be assigned. The following criteria were adopted for the general categorisation:-

- Tertiary - District to District
- Sub-Tertiary 1 - District to Commune
- Sub-Tertiary 2 - Commune to Commune
- Sub-Tertiary 3 - Commune to Village and Village to Village

Road Ownership of the Other Rural roads was proposed as follows:

1. Tertiary - Provincial Department of Rural Development,
2. Sub-Tertiary 1 - Commune to which the road connects,
3. Sub-Tertiary 2 - Communes to which the road connects, each owning the length within the commune boundary,
4. Sub-Tertiary 3 - Village(s) to which the road connects.

Responsibility for the management of the rural road physical assets was to be assigned to the owner of the road with the exception of Sub-Tertiary 3 roads, which would also be managed by the C/S. The Office of Rural Roads within the Provincial Department of Rural Development would be responsible for co-ordinating all rural road maintenance activities within the province.

This classification was adopted for the MRD Interim Design Standards in January 2006. A key issue of classification is the constantly changing nature of the road network. Roads originally designed as village access roads are serving a wider role as the surrounding

⁷ Ministry of Public Works and Transport (MPWT), 2006, National Transport Policy.

⁸ Ministry of Rural Development (MRD), 2006, Strategic Plan for Rural Roads.

⁹ Ministry of Rural Development (MRD), 2002, Rural Road Policy (draft version).

road network is developed. Instead of serving one or two villages, many now serve one or more C/Ss and in some instances have become regional roads. Some of the roads constructed under the RILG in earlier years have later been rehabilitated to higher standards, based on increased traffic, by other donor funded projects. Other roads constructed under RILGP more recently were tracks within the village boundary and are not part of the road classification.

As these roads are developed, the categorisation of roads needs to be updated. At present there appears to be no mechanism for this but if RILGP roads are likely to be used by higher volumes and mixes of traffic in the future, the MRD guidelines for road design are to be adopted. An alternative could be to allow for the design of extended culverts to allow for future widening. The updated C/SF Technical Manual allows for this upgrading of roads by following the design templates for road design. When roads within the village boundary are selected the design standards of MRD don't need to be followed and road width can be determined by the C/S and are typically 3 to 3.5 meter wide. A suggestion would be to call this type of roads "village tracks" as these will not be upgraded to sub-tertiary roads and are not part of the road classification system for rural roads.

(iii) Targets

The main targets in this strategic plan are to bring all the rural roads up to maintainable standards within 20 years in a phased manner. The specific targets for each category of road are 7, 10, 15 and 20 years for Tertiary (T), Sub-tertiary Type 1 (ST1), Sub-tertiary Type 2 (ST2), and Sub-tertiary Type 3 (ST 3) roads respectively.

The average per year development and maintenance costs over the next 10 years (2007-16), which are consistent with these targets, are estimated at a little over US\$ 28 million at 2006 prices. This annual figure compares with an estimated expenditure on rural roads in 2005 of around US\$ 20 million. The annual figure of US\$ 28 million comprises 55% for development and improvement, and 45% for maintenance. About 48% of the total amount would be required by MRD/PDRD for T and ST1 roads, and the C/SCs would require the remaining 52% for ST2 and ST3 roads.

Table 16: Rural Road Development and Maintenance Budgets

	Requirements as per MRD Strategy in US\$ million for improvement and maintenance of rural roads ⁽³⁾		RILGP Expenditures on Rural Roads (US\$ million)	Cumulative Funding Gap C/SCs (US\$ million)
	MRD/PDRD	C/SCs		
2003			4.84	
2004			6.45	
2005			7.79	
2006			10.59	
2007	12.6	15.4	9.51	5.89
2008	12.6	15.4	12.44	8.85
2009	12.6	15.4	10.82 ⁽¹⁾	13.43
2010	12.6	15.4	15.40 ⁽²⁾	13.43
2011	12.6	15.4	18.48	10.35

2012	12.6	15.4	22.18	3.57
2013	12.6	15.4	26.62	+7.65
2014	12.6	15.4		
2015	12.6	15.4		

- (1) Based on incomplete PID entries of 2009
- (2) Assume a 20 % increase on annual basis (as was the case during 2003-09)
- (3) Based on the strategic plan for rural roads prepared and supported by the South East Asia Community Access Program (SEACAP) funded by DFID.

Estimates of available resources over the period from ongoing projects and programs suggest that the funding gap for the Ministry of Rural Development (MRD) and the Provincial Department of Rural Development is approximately US\$ 9.8 million per year. The funding gap of rural roads owned by C/Ss will be narrowed and closed in 2013 provided that annual C/SFs will be increased on a yearly basis by 20%. If the increases in annual budgets are lower, the gap will exist a few years longer and all RILGP funds could be used to just maintain the existing road network.

(iv) Design Standards

In recent years, the various donor funded projects have prepared their own standards for rural roads, including: the Tertiary Rural Infrastructure Program IV (TRIP) and the Rural Infrastructure Program (RIP) (both funded by the German Development Bank (KfW)); the Provincial Rural Infrastructure Program (funded by the World Bank); the National Rural Development Program (funded by the Asian Development Bank (ADB)). In 2009 the updated C/SF Design Manual was largely based on experiences gained from these projects. The design standards are therefore now fairly uniform among the different rural road projects including RILGP.

The main differences between projects are related to the pavement and shoulder width, which varies according to project. Wider roads mean higher construction and maintenance costs and the width is not always justified by the level and type of traffic using the road. In RILGP, in many cases, a three meter wide road would seem to be sufficient for the type of traffic using the road. Roads within the village boundary are seldom used by bigger trucks.

Pavements are now designed to meet the anticipated traffic loading, with a corresponding increase in construction costs. However, this increase must be weighed against the whole life cost of the road, including maintenance costs and premature reconstruction due to sub-standard designs.

(v) Maintenance of Rural Roads

Gravel and earth road surfaces are progressively eroded by weather and traffic over a period of three to five years. Routine maintenance, ideally carried out every year after the rainy season, would consist of mechanically re-shaping the road to keep adequate cross-fall and prevent the formation of potholes. Periodic maintenance would consist of resurfacing with a layer of new gravel once the thickness is reduced close to the limits of its structural strength once every three to five years, depending on traffic types and volumes.

The technical requirements for maintenance of gravel and earth roads are well known. Various systems have been implemented in Cambodia for appropriate technology and

contracting systems for maintenance of earth and gravel roads. These systems include the employment of local persons each taking care of a certain section of the road, direct works by local authorities, maintenance contractors using labour or equipment based methods etc. However, the biggest problem is the funding gap of maintenance budgets. C/SCs do plan maintenance activities, but do not commit sufficient funds, after the rehabilitation of their roads.

The best solution would be for C/SCs to enter into appropriate arrangements for maintenance contracts that are eligible for RILGP funding. Yearly contracts have to be proposed for routine and periodic maintenance of selected roads, depending on the condition of roads constructed in earlier years. Systems for classification of road maintenance requirements are presently being implemented by Provincial Departments of Rural Development (PDRD) in about eight provinces. Similar systems could be set up for C/SF funding of road maintenance. Assistance from the TSU would be required for the initial introduction of such maintenance plans. All TSUs should obtain the relevant information from the PDRDs which are currently implementing these maintenance works.

5.4.3 Irrigation Subprojects

Most of the irrigation infrastructure in Cambodia was constructed during the Democratic Kampuchea regime of the late 1970s. The majority of irrigation investments in Cambodia since that time have been concentrated on repair and improvement of the main irrigation infrastructure (mostly dams and water gates and main canals). It is important to recognize the difference between rehabilitation and modernization of infrastructure. Rehabilitation is simply restoring primary irrigation infrastructure to its original design condition and function (often poorly done). Modernization includes elements of rehabilitation but also provides infrastructure at secondary/tertiary level to ease operation and management of the system. RILGP has unsuccessfully tried to rehabilitate schemes, whereas they could have done modernization on functioning schemes. However there are not many of these functioning schemes in Cambodia at present. In some cases flood control structures were successfully built but additional funding to further improve water management at field level was insufficiently available in following years.

In 2006 a study was carried out on the Socio-Economic Impact Evaluation of C/SF Irrigation Projects (Aruna Technology Ltd). It pointed out that overall; the success rate for projects was relatively poor, due to a combination of the lack of sufficient investment, inadequate technical support, and the general challenge of addressing irrigation needs in Cambodia. However given the demand and the wide range of benefits that irrigation and flood control provide and the strong demand from farmers, the report still concludes that it makes sense to continue to make the investments but to improve the results through addressing the weaknesses identified by the Study:

- No assessment of available water resources;
- Farmers expectations were exceeding the amounts of water that could be made available;
- Insufficient hydraulic design;
- Poor setting out of structures;
- Insufficient construction supervision.

At present a technical audit of C/SF infrastructure projects is being carried out. The main objective of the assignment is to study a representative sample of C/SF projects constructed during the period of 2005 to 2008, and make recommendations on actions

needed to improve quality and cost effectiveness in the future. The results of the audit will not be available for review of the MTR mission. However the field observations and preliminary conclusions will be discussed with the technical auditor (Hans van Kampen) as he will do site visits simultaneously in selected Provinces other than the selected ones for the MTR.

The table below gives an overview of the constraints observed during the field investigations and discussions with PIAs, Irrigation Advisers (IA) and other project staff.

Table 17: Irrigation Sub-Projects: issues, solutions, recommendations

Problem/Issue	Solution/Remedy	Recommendation
Technical capacity for scheme-level design and for design of hydraulic structures is lacking at provincial level (TSU, PIA and DWRAMs)	Standards for feasibility studies have been improved in the Technical Manual. Studies and designs based on the new Manual have not yet been produced. Base on the first results the IAs should make further changes or recommendations on involvement on irrigation engineers from the private sector, knowing that they are in short supply.	Appraise and evaluate the results of the studies and designs of irrigation schemes approved for implementation in 2010 and take a final decision on implementation of these schemes taking into consideration the constraints Wait for outcome of the study on private sector involvement in RILGP, presently on-going
Weak construction supervision resulting in structural failure	Procedures for construction supervision has been improved in the Design Manual. More monitoring by PIA required to verify if testing is carried out and if testing results meet the specifications	National Advisors should evaluate performance of TSOs at Provincial level and suggest on possible improvements or alternative arrangements
Poor maintenance practices	Operation and maintenance (O&M) of completed schemes has very little success stories in Cambodia. The most successful ones are the pumping schemes operated and maintained by private operators	Investigate the potential of engaging private sector in O&M of small irrigation systems
Limited budget to do anything meaningful related to rehabilitation of a complete scheme	Wait till C/F funds are large enough to do rehabilitation of irrigation systems	Don't do any irrigation as long as budgets are insufficient

The new Technical Manual does not include sufficient standard template designs to be able to cover all levels within the irrigation system	Allow provincial teams to update or add drawings of structures once approved by national IAs.	See above
Provincial Departments of Water Resources and Technology (PDWRAM) don't provide technical clearance of selected irrigation projects in most cases	PDWRAMs have limited resources to verify designs of irrigation projects. Private sector would be an alternative solution to IAs.	Wait for outcome of the study on private sector involvement in RILGP, presently on-going

5.4.4 Water Supply Subprojects

Coverage rates of water supply and sanitation facilities are still low in rural Cambodia. Coverage rates for water supply in provinces vary from 10-50% depending on the province. The Millennium Development Goal (MDG) for water supply in Cambodia is 50% coverage by 2015 and 100% by 2025. To meet these targets substantial additional funding is required. The coverage rates for sanitation are even lower (8 to 15%). The MDG for sanitation is 30% coverage by 2015 and 100% by 2025.

In many C/Ss water supply and sanitation is a priority need but mostly only after road access and irrigation/water management. For this reason only 1 % of the total number of projects is related to water supply and nothing to sanitation. C/Ss see often activities related to water and sanitation as household level activities and not communal such as roads and irrigation. The WB has reimbursed water supply but not sanitation. So the C/SCs often leave water supply and sanitation to NGOs or other donor funded projects. With C/SF funds increasing for the coming year, there are possibilities to do more than one sub-project in a C/S in one year. The MTR is of the opinion that with some external facilitation, Commune Investment Plans can better address real needs of groups of beneficiaries by having a combination of sub-projects.

In discussions with MRD it was mentioned that each PDRD receives an amount of US\$20,000 to \$50,000 called the Sector Fund, that could that be spent on water supply and sanitation, but the MTR could not verify, with PDRDs visited, how these funds are actually used. The MTR is of the opinion that potential cooperation in the sector with UNICEF and ADB (presently preparing for the second phase of a sectoral water supply and sanitation program) should be explored.

The table below provides a summary of the problems related to water supply. These issues are reported in the technical audit reports and were observed during the field visit of the MTR. In the second column possible solutions are given and recommendations to the program are presented in the third column.

Table 18: Water Supply Sub-Projects; issues, solutions, recommendations

Problem/Issue	Solution/Remedy	Recommendation
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<p>Most hand dug wells fall dry during the dry season; Wells are often not deep enough; Wells have limited inflow capacity</p>	<p>Wells should be constructed at the end of dry season when water table depths are at its lowest level.</p> <p>Wells should be constructed to a depth where sufficient inflow is guaranteed;</p> <p>Detailed specifications need to be written for inflow measurements of completed wells;</p> <p>Design of hand dug wells should increase open area for inflow of groundwater</p>	<p>The updated Technical Manual does not cover all issues sufficiently.</p> <p>An option would be to have one unit rate for hand dug wells of all depths and only pay the unit rate for successful wells and have the contractor include the success rate into his unit price.</p>
<p>Hand pumps are dysfunctional in most cases soon after installation; Problems caused by many different factors but mostly by poor well design, poor well development and poor quality of handpumps.</p>	<p>Good well design needs a good understanding of the local hydro-geological conditions. Not all contractors have those skills. Need to be checked before construction of wells. Well development often not good enough so needs close supervision.</p>	<p>Alternative technology options to drilled wells need to be offered to communities and let them choose the preferred option. In case the preferred options is a drilled well with handpump, close supervision is needed during drilling and to avoid having contractors install counterfeit handpumps. TSOs need some additional training on technical issues related to well drilling.</p>
<p>High awareness of health benefits of latrine use; Increasing demand for latrines; Especially women put the latrine often as a priority need.</p>	<p>Latrine construction is often seen as an activity at household level and therefore is never included in the selected C/SF projects.</p>	<p>Verify if Village Plans for Water Supply and Sanitation would be considered as a communal activity and as such can be proposed as an activity to be funded as a communal activity under the C/SF.</p>
<p>Villagers need to be sufficiently involved in planning and selection of preferred option (demand responsive)</p>	<p>Village communities will be involved in identification, planning and construction of the Village plans related to water supply and sanitation.</p>	<p>The first few times external assistance would be required to assist the C/SC to formulate a Water and Sanitation Plan for village(s) or C/S.</p>

<p>In some Provinces in Cambodia the taste of groundwater is unacceptable for drinking (high calcium content in Banteay Meanchey and high iron content in provinces along the Mekong River)</p>	<p>No drilled wells and hand dug wells but introduce big size rainwater jars.</p>	<p>Rainwater jars should be included as an option in the Technical Manual. In some provinces there are sufficient local entrepreneurs who can produce these jars.</p>
<p>In some areas limited groundwater resources</p>	<p>Alternative solutions to be offered such as communal ponds, rainwater jars</p>	<p>The pros and cons of both options need to be clearly explained to users.</p>

5.4.5 Procurement and Contracting

The PIM describes the necessary steps of the bidding process well. During the provincial visits of the MTR the following inconsistencies were observed.

In previous years contractors from the same province seemed to have come to agreements to divide the work among themselves based on available equipment and location of the equipment (to reduce mobilization costs). In Battambang the bid prices were all at or just below the engineers estimate for most projects. In Kampong Thom and Kampot the situation was similar. There is nothing wrong with this process as long as the engineer's estimate is right and the contract prices are below the engineer's estimate. The work is equally divided, contractors make efficient use of their resources and therefore delays in implementation are not common. If contractors with limited resources, win a substantial amount of contracts, work is then often subcontracted and this can result in delays.

Since 2008, contractors from other provinces have been allowed to bid for projects. This has resulted in substantially lower bid prices on some of the projects. In Battambang one contractor won almost all of the projects in one District at prices 30% below the engineer's estimate. In Kampot some contractors from Kampong Cham were 50% below the engineer's estimate. This can imply that in these provinces, the engineer estimates were too high or that contractors had underestimated the construction costs. A sample of contracts was reviewed by the MTR which found that the main differences were between the unit rates for earthworks in the engineer's estimate and the bid price of the contractor. In most cases, laterite is taken from small quarries within the C/S free of cost. In the engineer's estimate, the unit price of laterite is based on prices at approved quarry sites and transported over bad roads. Unit prices calculated as per the PIM procedure (and partially corrected in the new PIM), may be four times the price of what contractors actually pay. The same was observed for transportation of soil for embankment fill. Soil is supposed to be taken from a borrow pit approved by the supervisor but contractors often take the soil from near the road to save on transportation costs.

One way of avoiding this problem is not to distribute the engineers estimate and have the contractors themselves estimate the contract price based on their experience and information collected from the C/S level. (However, the PIM requires that the cost estimates are included in bid announcements as any attempt to keep the information confidential could lead to corruption with individuals 'selling' the estimates.) Another suggestion would be to compare rates between provinces and see if contract unit prices are calculated consistently.

5.4.6 Unit Costs

During the C/S visits, it was observed that the unit costs per kilometre of road varied substantially from year to year in one province and between provinces in the same year. These variations were mainly caused by the differences of rates of soil and laterite fill per m³. Some of these differences have been eliminated by the update of the PIM where unit rates were established by adopting the same procedure in all provinces.

As it is of little use to analyse the rates of previous years (most inconsistencies have been removed by the update of the PIM) the MTR analysed the unit rates for 2009 for embankment and laterite fill per m³. The table presented in Annex 7 shows that the rates per m³ of embankment fill varies from US\$ 0.97 (Kampong Chhnang province) to US\$ 6.45 (Siem Reap province). This can be explained by the fact that soil needs to be purchased in C/Ss close to Siem Reap town as land prices have gone up dramatically and landowners don't allow contractors to excavate the soil from their land. However in more remote C/Ss, farmers still allow contractors to dig ponds free of cost for the contractor (hence, the soil is free of cost). These ponds are often used for domestic water use, fish pond or water storage for irrigation. The same high rates embankment fill are used in Phnom Penh and Kandal. The question is whether the Kandal situation is the same as that in Siem Reap.

There were also mistakes made in the formulas to calculate the transportation costs (0.07 * diesel price + 200). The unit rates vary from 250 Riel (Kampong Speu province) to 3,000 Riel (Kandal province). They should all be around 410 Riel based on the diesel prices of 2009, that are similar all over Cambodia. It looks as though the transport cost formula has been wrongly used in a number of provinces resulting in high transportation costs in Banteay Meanchey, Kandal, Phnom Penh and Svay Rieng provinces.

The unit rate per m³ of laterite fill varies from US\$ 2.20 (Kratie province) to US\$ 17.80 in Phnom Penh. This can be explained by the fact that in Kratie, laterite is easily found and can be excavated free of cost (though probably not from designated quarries). High unit costs, similar to those in Phnom Penh, are used in Siem Reap and Kandal. The same mistakes in the transportation formula for the laterite are also being made with the transportation of soil.

The MTR Team compared the rates with other rural road projects implemented during the same period. The KfW funded Rural Infrastructure Project is constructing rural roads in Kampong Thom and Siem Provinces. Their rate for soil compaction of 1 m³ of soil is US\$ 2 which is comparable with the rates of RILGP in Kampong Thom (US\$ 1.5). The Rural Infrastructure Project rate in Siem Reap is also US\$ 2 /m³ whereas the RILGP rate is US\$ 6.5 /m³. For rates compared with other projects in the same provinces, RILGP rates were mostly lower, except in Siem Reap.

As there were inconsistencies in calculating unit prices for earth works and mistakes were made with the formula to calculate the transportation cost, the MTR recommends that the rates approved for 2009 be reviewed and corrected, where necessary.

5.4.7 Project Technical Manual and Project Generator

The C/SF Technical Manual has been prepared for the design and construction of small-scale infrastructure projects financed by the C/SF. The Technical Manual is used with an interactive software package called the C/SF Project Generator. It originated from the Seila Technical Manual and the accompanying interactive software package called the Seila Template Program developed between 2001–2006. The Seila material and

procedures were used and evolved over several years with some success and were taken over by NCDD. The many strong features of the approach were recognized but there were some problems also. In particular the template designs and program were somewhat inflexible and it was difficult to update or add new designs. Also the many forms and procedures required by the PIM were demanding on time and resources in the provinces; and had to be completed within a very short time window within the annual project cycle. Consequently many of the forms were often incomplete and seldom properly checked prior to approval. In addition the construction supervision was inadequate with the result that it was common for infrastructure works to be of poor quality and not completed to the full dimensions.

The new manual differs in several ways:

- The core ‘template program’ function has been retained but rewritten on a different software platform; it incorporates standard design drawings (prepared in AutoCAD but saved and accessed in PDF format) linked to spreadsheets which calculate quantities and costs according to variable dimensions.
- The concept of checklist-type feasibility study PIM forms from the Seila Template process have been upgraded to interactive ‘Technical Forms’ built into the Project Generator software in combination with the Template program component. Furthermore the forms automatically link map and database material to meet the requirements for attachments and completion of form fields.
- Where technical design is required, guidance is provided interactively by the Technical Forms. The user must answer simple questions by either filling in data or choosing from drop-down menus and is automatically advised on the type and dimensions of infrastructure needed. In some cases where calculations are required, these are made by an ‘applet’ program running behind the form, and provided the user answers all the questions, then the correct design is automatically shown by the form. The forms are interactive, the user can change some design requirements, or in some cases vary the design criteria used, until an acceptable design is produced. Finally the user must confirm the final design choice which can be less than recommended if there is good reason.
- For construction supervision, the Technical Guidelines incorporate an updated and expanded version of construction checklist forms developed by MRD.
- The Project Generator can be expanded to cover other requirements of the PIM.

Because the Ministries have helped to produce the Technical Manual, the drawings in the Manual follow Ministry guidelines. If the C/S chooses a drawing from the Manual for their project, they know that the drawing follows the guidelines. However, the C/S can choose to use a different drawing (one that is not in the Manual) if they prefer.

The development of the manual including the generator was ambitious in its goal to solve all problems at the same time. The completion was delayed by almost one year mainly caused by the turnover of key staff of the company (Aruna Technologies Ltd) working on the project. Part of the contract was the training of IAs, PIAs and TSOs on the use of the manual and generator. An introductory training in road design was provided to PIAs and some TSOs.

The initial response of the trainees was good but it was generally agreed that much more training, especially for TSOs, was needed before it could be introduced in the provinces. The manual has not yet been fully tested (only roads and culverts) and the applets were briefly explained. Most of the TSOs have not yet been introduced to the manual and its

use. Some other constraints mentioned by TSOs and PIAs during provincial visits were related to the planning and logistics of the work at provincial level:

- In one province (Kratie) none of the TSOs can use a automatic level well enough to carry out a topographical survey and enter the data in the computer to calculate earthwork volumes. In other provinces (Kampong Thom and Kampot) only a few can.
- To carry out topographical surveys in the field (needed for every road), TSOs need a car and especially in Kratie this was reported as a problem. In other provinces this depends on the activities of other staff needing a car for field work but potentially creating difficulties when the road projects have all to be surveyed during the same time (a period of two to three months starting from January). In all provinces there were insufficient topographical instruments.
- Dynamic Cone Penetration testing equipment was reported as of inferior quality by the team in Kratie. Not enough equipment would be available to carry out all the required testing as per the updated Technical Manual.
- In some provinces no properly functioning internet connection was available and in others A3 printers were not available to print drawings that are slightly updated from the standard drawing. (Kratie mentioned the missing of a simple water gate with gates in the list of standard drawings).

It is planned by the IAs at national level to introduce the Manual and Generator for preparing and designing the projects selected for 2010. If pushed forward, the only chance of success is if the PIAs do most of the work. However the role of the PIA is to assist and support the TSU and without extensive training of the TSOs first, they will be unable to carry out the work independently.

Taking the above into consideration, the MTR proposes to introduce the Technical Manual and Generator in three Provinces that are more advanced compared to others in terms of qualified TSOs, available equipment and cars and qualifications of the PIA in providing backstopping to TSOs in using the Manual and Generator.

5.4.8 Project Implementation Database

The Project Implementation Database (PID) contains information on projects, contracts, implementation and payments. Data entry at provincial level is done at three levels, administration, technical support and finance. Once final payments are made by the provincial treasurer (and in some cases this takes a long time), data are uploaded to the national level. Data should ideally be entered over the life of the project but it was reported by data entry staff in the four provinces visited, that they mostly wait until the final payment to enter data, because once data are entered and uploaded, they cannot change it if any mistakes are found later, during implementation. This process is time consuming and therefore the database is not up to date. Poor internet communication seems to further delay the uploading of data.

The MTR Team tried to extract data on amounts per contract, total amounts of contracts per year but this proved to be difficult as there are discrepancies in the data (e.g. the total value of outputs per contract may not be the same as the total contract value).

It is recommended that the database is continued to be improved to make sure that it can be used as a tool for project data analysis, M&E and management information. More analysis of the PID data would identify errors in the data and feedback on these to the provinces would reduce the level of error over time.

5.5 Implementation – Component 2

5.5.1 Strengthening Government Institutions

The aim of this subcomponent is to: Strengthen government institutions at all levels to enable them to implement, supervise, monitor and evaluate the Project and achieve its objectives, through provision of capacity building, technical assistance, logistical and operational support. RILGP has provided its planned inputs and has relied on PSDD advisers at national and provincial level plus the incentive payments made to PFT, DFT and TSO government staff. This system works reasonably well and creates a presence at all levels for supporting change. The MTR Team has been told that RILGP and C/SF could not function without the support of these advisers and the incentive payments and this seems to be correct from observations made by the Team itself.

Therefore, if we believe that the C/SF is essential in spearheading democratic development in Cambodia, then the issue is to determine the most cost effective way to support the C/SF. The options could be:

- (i) Continue with PSDD or a PSDD equivalent into the future for the next 10 or more years. This assumes that there will be no change in government salaries and incentives over the next 10 years and that government staff (due to low education and skills) will play a minor role. The sustainability solution relies with building a competent C/SC and committees.
- (ii) Combine a PSDD approach (with an exit strategy) with a competency based quality capacity building program for provincial and district government staff and C/SC members and committee members. The PSDD approach is phased out over five years and if no changes are made to government salaries, then the capacity building of the C/Ss assumes greater importance as they would have to rely on their own skills rather than support from DFTs after the five years. Sustainability here lies with a competent and committed government service and/or a competent C/SC and committee members.
- (iii) Combine a PSDD approach (with exit strategy) and private sector involvement to take a greater role in supporting C/Ss to do the work. The option will involve building Civil Society Organisation (CSO)/private contractor capacity to deliver services and that these services can be paid for from the C/SF. This option strengthens civil society and private sector organisations and does not rely on government. The initial issue here is the number and quality of existing organisations with the exception of engineering/contractors who seem plentiful and reasonably competent. Sustainability here lies with a competent competitive private sector (contractors and CSOs).

The Team has not had the time to cost these options and develop a decision matrix to do comparisons, but with the loss of DFID support for PSDD and UNDP wishing to look at a new PSDD approach for five years which includes an exit strategy, it is important to consider this for RILGP 2.

5.5.2 Policy Support

This sub-component deals with three main aspects:

- Strategic studies on D&D: The main work undertaken in the last two years has been the Budget Execution study and the Financial Audit of 2008. The audit is complete but there have been issues with trying to operationalise the results of the Budget Execution study (as seen from an analysis of the Aides Memoire). The MEF is not supportive of the proposed activities and there has been little progress since the

beginning of the year. The issue highlights the sometimes strained working relationship between MEF and MOI. During MTR Team discussions, no one seemed to have any solutions to this ongoing issue.

- NP-SNDD: The consulting company has completed its work and produced the fifth draft of the national program (September 2009). Responsibility is now with NCDD to carry this forward but NCDD does not seem to have sufficient staff if they are to assign a focal point person for each ministry to lead the way for doing the functional reviews. The functional reviews look at the functions and the financial, property and personnel resources needed to be transferred to sub national administrations. Progress with these functional reviews is slow.
- Fiscal decentralisation reforms: this activity was aimed at supporting the MEF to develop and implement fiscal decentralisation strategies which could support the NP-SNDD. However, when the Fiscal Decentralisation Expert left in early 2009, there was no special interest from MEF in continuing the work. This now seems to have changed and a new expert is being recruited and MEF has accepted assistance from other donor partners to support them on fiscal decentralisation.

NCDD has a major role to support D&D reform throughout the country. One of its roles will be to drive the NP-SNDD and especially develop and monitor the enabling policy environment under which the program will be implemented. RILGP and NCDD will need to determine exactly what support is required in 2010 and what forms this support will take. At one level, NCDD will need to generate commitment from senior politicians towards continuing with the D&D reform. At another level, NCDD will need to support ministries to conduct their functional reviews and then bring these into the political forum for discussion and coordination between all concerned ministries. The RILGP AWPB of 2010 does not seem to allow for this support to the Policy Support Division of NCDD to support the NP-SNDD and this may be a severe shortcoming of the work plan for 2010 when it is important to maintain the momentum of the NP-SNDD and ongoing D&D reform.

5.5.3 Project Management

The sub-component of project management included the following activities and progress in each is discussed below:

- Studies and consultancies: of the 32 conducted to date, the breakdown by category is as follows: M&E (11); Finance (5); Technical/TSU (4); C/SF Process (4); D&D (3); governance (3); and safeguards (2). Studies were conducted that were outside the original scope e.g. safeguards but most studies were associated with the original ideas of the appraisal document. However, the use of these studies and the incorporation of lessons learned into project implementation was not readily seen by the MTR Team. A direct mechanism for maximising the benefit of the studies is necessary if the project is to move into a continuous improvement environment.
- national-level workshops on AWPBs, safeguards and PIM were conducted.
- rehabilitating and constructing respective PRDC ExCom's office buildings in selected Project Provinces: new buildings were seen in provinces visited with some having contributions from provincial government to allow for a bigger building.
- equipping NCDD, MEF, PRDC ExCom and Provincial Treasuries in selected Provinces with office equipment, furniture and motor vehicles. As noted in Section 4.2, computers, air-conditioners, office equipment, motorcycles and vehicles (and boats) were procured and provinces reported that they had sufficient equipment to do their work.

5.6 Evaluation Criteria

5.6.1 Efficiency

The definition used for evaluating efficiency is “the quantity of resources expended in an effort to achieve the stated objective or condition. This implies cost minimization for attaining specific degrees of goal achievement”. The project has been relatively efficient for the following reasons:

- RILGP is fully implemented through government structures and systems.
- PSDD provides advisory and staff support.
- Outputs in terms of studies, buildings, vehicles, equipment and National Program etc were completed. Some issues were raised concerning the quality of some of the studies (e.g. the Socio-economic study on C/SF road projects), indicating poor value for money.
- Roughly 82% of the funds were allocated to sub-projects for infrastructure development with operating costs a smaller 3%.

Expenditure Category	RILGP Credit 2003 – 2010 US\$ million	%	RILGP Grant 2007 – 2010 US\$ million	%	Total Grant and Credit US\$ million	%
1. Local Planning and Investment						
Sub-Project Grants	18.96	86.2%	29	80.0%	47.96	82.3%
2. Policy Support and Project Management						
Civil Works	0.2	0.9%	0.27	0.7%	0.47	0.8%
Goods	0.88	4.0%	0.29	0.8%	1.17	2.0%
Consulting Services B1	1.38	6.3%	0.68	1.9%	2.06	3.5%
Consulting Services B2			4.75	13.1%	4.75	8.2%
Workshops and Training	0.03	0.1%	0.06	0.2%	0.09	0.2%
Operating Costs	0.55	2.5%	1.2	3.3%	1.75	3.0%
Total	22.0	100%	36.25	100%	58.25	100%

- The allocation of the majority of funds to infrastructure development yields economic returns since road projects yield positive economic rates of return.
- The rigorous application of the procurement process for sub-projects minimizes misallocation of resources.
- Participation of contractors from other provinces has significantly reduced bidding prices.

The Project has demonstrated efficiency in its delivery as well as generating the outputs and outcomes. There are some issues however that will need to be considered as a counterpoint to the efficiencies highlighted above.

- To achieve economies of scale for infrastructure, the existing PIM system would need more funds per commune to ensure economies of scale of sub-projects and the meeting of more local needs.
- Due to low capacity of government staff (low incentives), the project is heavily dependent on technical assistance (TA) (which is expensive).
- Sub-projects have not always been achieved at reasonable costs (in some cases unit prices for road construction are too high).

- Quality of infrastructure projects were sometimes poor due to lack of construction supervision from TSOs.
- High administrative and reporting workload to comply with WB procedures can create delays with C/Ss requiring significant support from the already “stretched” resources available to DFTs and PFTs.

5.6.2 Effectiveness

When evaluating the Effectiveness of the project the definition used is “the degree to which the stated objective or condition is achieved or maintained”. The project has been successful in converting inputs into outputs and outcomes in support of Cambodia’s goals for Decentralisation and Deconcentration and hence been effective. There are a number of areas of success of the project that contribute to its effectiveness.

- RILGP utilizes the extensive structure and support base of the PSDD and NCDD. The years of experience and success in D&D in Cambodia were utilised to deliver the results for RILGP.
- Supporting governance, by providing a means and motivation for the participation of local communities in the development process (if there are no resources to allocate to priority projects then there is no point in planning and prioritizing).
- Commune Development Plans (CDP) and Commune Investment Plans (CIP) reflect local priorities through the participatory planning process.
- Delivering financing to C/Ss through the government system but with rigor in the selection and implementation, through use of the PIM.
- The PIM provides a solid structure for design, procurement, management and safeguards issues for project management and implementation for effectively delivering government services at the sub-national level.
- Priority commune level investments funded through C/SF are implemented by C/SCs, mostly in accordance with agreed systems and procedures (more in the upcoming process audit report).
- The majority of C/SF projects are small rural roads (tracks) and this enables other funding sources to target non-infrastructure service delivery projects.
- The draft NP-SNDD has been prepared and is now under discussion. RILGP has given impetus to this process.
- Up to 80% on average of C/SFs have been reimbursed demonstrating improved capacity of C/Ss to implement the PIM procedures (hence a measure of capacity building has occurred as a result of RILGP).
- RILGP has influenced the development of policy at the National level with regard to the revised sub-decree establishing C/SF allocations for 2008-2010.
- The implementation of 3,951 sub-projects by the end of 2006, 4,880 subprojects by end 2007 (Credit component), and 1,679 sub projects for 2007 and 2008 for the Grant Component.
- These sub-projects (largely road projects) have contributed to the reduction in travel time for users and improved access within Communes and inter-Commune travel and access to main roads.

However, there have been some issues that may impact on the effectiveness of the Project (both internal and external factors):

- The move of the bidding for C/SF projects from the C/S to the district level, has reduced beneficiary participation in the process at the Commune level.
- C/SF budgets are too limited to meet most of the priorities in CIPs.
- Low capacity and experience of C/SC members (starting from a low base) implies a significant challenge for capacity development. This is further weakened by the turnover in elected officials, which is not a result of the project (this is an external factor that will negatively impact on the effectiveness of the Project).
- Decentralization process has slowed with functional reviews and resourcing issues.
- Governance progress could be greater if people were more involved in implementation and included civic education and empowering processes.
- Accountability as translated into Khmer is a difficult concept for people to understand and now in C/Ss they associate accountability with the accountability box.
- The M&E system could be improved with a revised Logframe and a clearer M&E plan and approach.
- The Safeguards system has not been applied as rigorously as required by the PIM.

5.6.3 Impact: Poverty Reduction

Expected Project Outcomes –The development objectives of RILGP are to contribute to rural development and poverty reduction through provision of priority public goods and services at the C/S level, as well as to strengthen decentralized and deconcentrated participatory local governance systems at the C/S and provincial levels.

There are two main dimensions to poverty reduction through this project as mentioned above:

- Provision of priority infrastructure such as roads and irrigation structures that have social and economic impacts (such as access to markets, health services, reduction of transport times and costs of transport, etc); and
- Linking participatory local governance systems at the C/S and provincial levels with meeting of local needs (allocation of resources to meeting community needs for example).

(a) Priority Infrastructure

In relation to the first dimension it has been generally accepted development practice that rural roads¹⁰ have positive socio-economic impacts and hence in the longer term contribute to poverty reduction. The improvement of rural roads is broadly recognized as a fundamental precondition for the development of rural areas, and remoteness and lack of mobility are widely identified by the poor themselves as factors in heightening vulnerability and perpetuating their poverty¹¹. Access is a key determinant of poverty. Without physical access rural communities face much greater obstacles in obtaining health, education and other social services. In addition their ability to take advantage of

¹⁰ Rural roads are referred to as priority infrastructure since a large proportion of the sub-projects funded by RILGP are roads.

¹¹ Such as Dominique van de Walle and Dorothyjean Cratty, 2002, Impact Evaluation of a Rural Road Rehabilitation Project, World Bank AND Hemamala Hettige, 2006, “When Do Rural Roads Benefit The Poor And How? An In-Depth Analysis Based On Case Studies”, ADB for example.

surplus crop production and of employment opportunities is severely constrained. Investment in transport can create economic opportunities for the poor directly through employment in infrastructure construction and maintenance, and the provision of rural transport services, and indirectly through improving the conditions and opportunities for marketing goods and services reducing input prices, opening opportunities in new markets, and offering seasonal migration opportunities for work¹². Roads are a key element in the provision of physical access. A number of factors would need to be present to support this, such as linkages to other roads, maintenance of the roads, linkages to population centres and markets or government administrative centres, etc. In the case of RILGP, there would be some road sub-projects that have more beneficial impact than others.

The main method for measuring the impact of the RILGP in terms of socio-economic and poverty impact was through the surveys and studies conducted by RILGP. The main studies and a summary of their findings are provided below:

Study #1: Baseline (2003) and Follow up surveys (2008)

Upon Review of the Baseline and Follow up surveys, a number of interesting observations and conclusions were made:

- Compared to 2003, the village roads were in better condition. However, most culverts and bridges remained in need of repair or new culverts and bridges were still needed.
- Health services in the commune were more accessible than in 2003. It was concluded that that better road conditions have played a role in the service accessibility outside the village. It should be noted however that improved access to health facilities and schools was also a result of the parallel construction of more of these facilities by other projects.
- Children from the studied villages tended to attend schools outside their own villages. Once again it was concluded that it was possible that improved road conditions resulted in some children travelling to commune centres for schooling.
- With better road conditions, people tended to travel further distances for social services and markets.
- Improvement in housing conditions had occurred across the period between the two surveys but it was concluded that it was not as a result of the C/SF road investments. Other external factors (such as more general improvement in the economy during the same period) played the major role in improving housing conditions.
- The preference for roads infrastructure was still the same across the two surveys (this was also observed during the MTR 2009) but it was concluded that road conditions of both project and non-project villages were better than before.

The results indicate that RILGP has made contributions to the stock of assets (mainly road assets) available for socio-economic development. However, the risk is that maintenance of the assets is not undertaken and hence their condition and quality may decline and the assets may not result in sustained positive economic returns.

Study #2: Socio-Economic study on C/SF Roads projects (2008)

¹² Colin Gannon, Zhi Liu, 1997, "Poverty and Transport", World Bank, Washington DC

This study concluded in the executive summary that “the benefits obtained from rural road improvements too diffuse, and the other factors impacting on rural poverty too many and varied, for a valid statistical correlation between C/SF road investments and its effect on poverty levels”. This Study did find that improvements in rural village access roads resulted in reductions in travel time. Reallocation of travel time savings to other economic activities is indicated or can be inferred. The road improvements facilitated the undertaking of agricultural crop production activities. The project roads facilitated journeys not only within the project villages, but also to/from neighbouring villages, district centres and beyond. The reported increase in costs of goods and services, and vehicle operating and maintenance costs that consequently increased the charges for transporting passengers and goods, negated the savings from less travel time and lower maintenance costs of vehicles. These increases however were as a result of other factors that impacted on prices of goods and services such as inflation, oil prices and other local and international economic factors.

Anecdotal information, revealed during the MTR, indicated that some projects would have limited impact where others would have significantly more. During the MTR fieldwork, a number of road project sites were visited. It is useful to highlight two cases as examples where potential exists for economic and social benefits to the community as a result of the construction of a rural road.

Case 1: Kampot Province (Chhouk District)

In this case, the Commune was quite far from the main highway and had limited road access within the Commune and to other Communes. The Commune Council constructed a number of roads but there was one main road that was constructed in sections over a period of five years linking the Commune centre and other parts of the Commune with a main road. They also constructed a road that linked another District to this Commune.



Commune Road constructed in sections over a period of five years. This road connected villages in the commune with a significant district road



Internal commune road linking villages within the commune to the local school and other roads that lead to another district.



This particular commune was far from the main road. The C/S-funded roads allowed paddy rice to be transported more efficiently than in the past. It also meant that farmers were able to get a better price for their crop as traders could have better access to the commune.

In this case it was clear that access to the main highway had improved (based on comments from the local people). Since this Commune was far from the main highway then it can be assumed that access to markets have improved. The development of intra-

Commune roads then expanded this access to other parts of the Commune. The existence of micro-enterprises (local restaurant, bike repairer, fish selling for example) located along the roadside was observed and this adds to economic diversification within the commune.

Case 2: Battambang (Bavel District)

In this case there was an existing road that was built by the World Food Program but the last remaining 2 kms were in poor condition. Using C/SF funds, the Commune rehabilitated that section of road that lead to a cluster of three villages of around 500 households and it was the only access road to these villages.



This road linked a major district road to a village that had limited access in the past. The access was a village track that was almost impassable in the wet season. The upgraded road allowed for greater accessibility in the wet season.



The upgraded road allows motorbike access in both wet and dry seasons.



The upgrading of this village track has allowed for paddy rice to be more easily transported to the commune centre where there is good access to main transport networks.

According to the Commune Council this had improved access for these villages in both the wet and dry season where only foot traffic was possible in the wet season before the rehabilitation. This anecdotal evidence therefore suggests that in this case some improvement to people's lives would have occurred through access to the main Commune centre and main road for access to services (health and education) as well as markets. Significant amounts of rice were being produced in the area and road access was

important for transporting this to market or for traders to reach the farm gate. The condition of the road was passable and it did allow for motorbike traffic and bicycles.

The MTR did find evidence to suggest that some roads would have higher positive socio-economic benefits whereas others would have been marginal – not all road projects will have similar impacts and benefits.

It may be argued that the RILGP has made a contribution to improving socio-economic conditions that support poverty reduction. Certainly previous economic analysis (RILGP Project Appraisal Document) indicated that the Economic Internal Rates of Return (EIRR) for rural roads were in the range 25%-40%, although returns were significantly reduced, and could fall to unacceptable levels, if road maintenance was not undertaken. A large proportion of the C/SF Projects were road projects. Generally the impacts of the improved road conditions and road access (access to markets, stimulating trade and commerce in local areas, access to education, increased production in response to more favourable prices for agricultural commodities etc) are improved socio-economic conditions leading reductions of poverty. It can be concluded that better rural roads are a necessary but not sufficient condition for poverty reduction. The ability of the poor and very poor to make significant economic use of a road depends on a number of factors (such as their asset base and the entitlements to resources and opportunities that they can command). These costs and benefits are discussed further in the next section

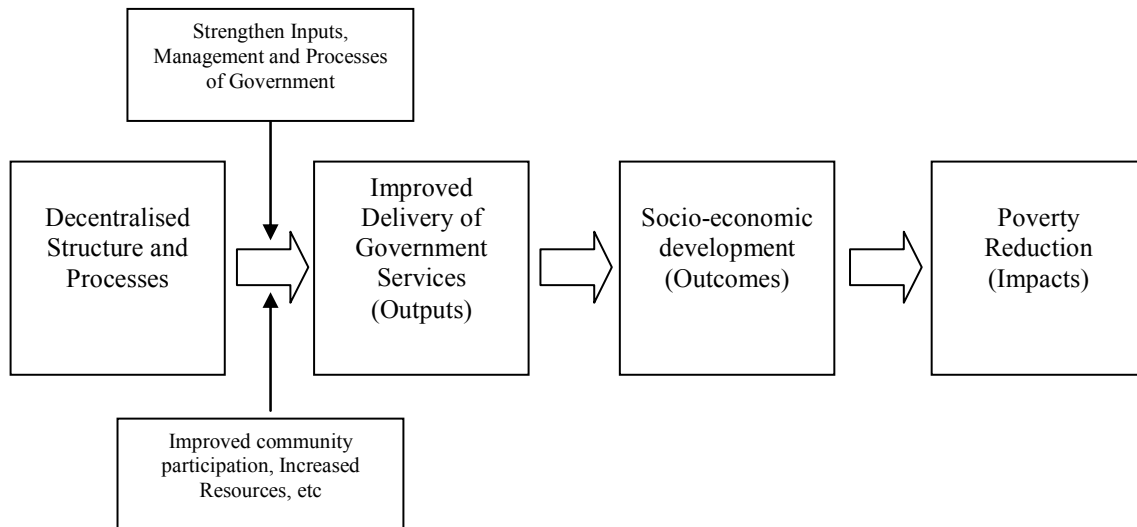
(b) Participatory Local Governance Systems

The linkage between decentralisation and poverty reduction requires a number of stages and conditions to be present. In general, it is thought that greater decentralisation of power and authority to sub-national governments and communities will assist in:

- Promoting an efficient mobilisation of limited resources;
- Better utilisation of these resources towards improving service delivery;
- Facilitation and promotion of social, economic and human development;
- Securing participation and equality in the processes of government; and
- Promotion of self determination and political equality.

The basic economic case for decentralisation is the promotion of economic efficiency through the provision of local outputs that are differentiated according to local tastes and circumstances resulting in higher levels of social welfare than centrally determined and more uniform levels of outputs. Effective decentralisation is said to be a way to maximise the process of satisfying the demand and supply of public goods leading to the maximisation of collective or social welfare. This process eventually leads to poverty reduction.

Figure 6: Decentralisation and Socio-Economic Development



Study #3: Follow up Survey of Knowledge, Attitudes, Beliefs and Practices (2004)

This survey was a follow-up to the baseline survey conducted in 2001. The 2004 Survey examined a total of 1,998 Cambodian Government officials, both elected C/S Councillors and appointed national, provincial, district and commune officials (including C/S Clerks). In summary, some of the results were:

- More than 85% of officials had undertaken courses on governance organized by government agencies as at the time of the survey in 2004;
- About 58% of respondents believed that unofficial payments are the normal way of getting things done in Cambodia and about 53% believe that it is acceptable for a government official with a very small salary to accept a commission;
- On the question as to whether a contractor must pay to be awarded a contract, about 50% of officials believe that they must;
- 83% thought that the principal feature of participation was that senior government officials should decide policy in the best interests of the people, and 69% that the government should tell everybody what laws they must obey;
- All respondents viewed participation as a vital part of the development process. There was a general feeling that, since the 2002 elections most C/SCs are making a genuine attempt to hold public meetings for a two-way flow of ideas;
- There was a significant increase in the number of officials serving at the commune level and they were much better trained in governance;
- The elected officials were somewhat older than the appointed officials.

These results indicated that training and awareness were a first step to building better governance and participatory processes but actual application of the theory was needed. The fact that government officials believed that unofficial payments were the norm and not the exception was a concern for improving local governance. The positive signs were that people did perceive that participation was important. The key is to actually engender this in the processes of local government. It seemed that improvements in the development of local governance had occurred during the survey period.

The Survey made some recommendations that are pertinent at the time of the MTR 2009.

- Further training for civil servants, particularly on governance, and tightening up the transparency of the contract bidding system (Comment: this has occurred in

relation to the application of the PIM but is probably needed to ensure embedding of PIM practices).

- Rationalizing the payment of commune funds to private banks in district centres rather than the use of the treasury system in provincial capitals (Comment: this could apply to other donor and NGO projects that operate outside of the C/SF system).
- Enhancing the participatory practices of the C/SCs (this has improved, especially in comparison to the previous system, prior to 2002, but there were still elements that could be improved according to the MTR 2009).
- Providing officials with a mandate to enhance business and the economy, instituting official fees-for service with exemptions for the very poor (local contributions are still quite low and this may be an indicator of people's lack of trust in Commune officials, or that many villagers are still cash poor. It is essential that local business and development occur at the Commune level. Communes should be assisted in this).

Study #4: Knowledge, Perceptions and Accountability Surveys (baseline 2008)

The KPA Surveys indicated that, overall, there were no significant issues or problems relating to Commune Council performance, responsiveness and accountability. The quantitative components of the studies suggested participants believed that "individual Commune Counsellors are operating as best they can as individuals, but that the institution of Commune Councils is perceived as less than adequate in terms of operating capacity and ability to identify and address priority needs". This is contradicted by the qualitative research through the Focus Group Discussions, where participants broadly characterised Commune Councillors to be corrupt. The complaints were based on perceived bias of Councillors in handling disputes and that the decision-making process at the Commune level was to serve the personal interests of Councillors.

Another relevant finding of this research was that respondents were asked to assess their understanding of the term 'accountability' (knakney-peap). It was found that around 80% of respondents had no knowledge of this word, and of those that were familiar with the wording, around 5% were not clear on its meaning. Almost no focus group discussion participants reported being officially informed of the existence or purpose of accountability boxes¹³.

One main objective of RILGP was to support and promote decentralisation and participation of the community in allocation of resources to local needs and demands (government responding more effectively to local needs and wants and allocating resources based on these needs). As indicated above, this has socio-economic and hence poverty dimensions. The KABP studies did indicate improvements over the intervening period of the surveys but the KPA studies were not conclusive given the apparent contradiction in the results between survey data and focus group discussion data. The MTR did however observe conditions where participation had improved and local priorities were being addressed through the RILGP-C/SF. The result is locally generated

¹³ This seems to be supported by the findings of the MTR where there was almost no use made of the accountability boxes – there were very few complaints made.

projects being implemented at the Commune level. One needs to consider the previous planning and prioritisation system for Communes and responsiveness from higher levels of government. Largely local needs were identified by the Commune and requests made to the Provincial line departments. Activities and projects were then implemented but not necessarily on local needs or they were not implemented at all. Hence the current C/SF system is a significant improvement on the previous system for promoting participation and engaging the community. The dynamics of participation and responsiveness should be investigated further through case studies and qualitative research (see M&E section for further discussion).

As a result of the observations and focus group discussions through the work of the MTR, it can be concluded that participation has increased through establishment of community committees (such as the Planning and Budget Committee), whereas previously such committees for community involvement with the commune did not exist. Community planning, such as it is, produces a “wish list” of projects, but unfortunately most of which are not funded by donors, NGOs or line departments through the DIW.

Attribution to Poverty Reduction

The most difficult part of any impact evaluation is attribution of impacts to a particular intervention. This is because the impacts (i.e., on poverty) may come not only from rural roads but also from other types of development activities in a particular area or community and general economic conditions. From the table below it is indicated that poverty has indeed reduced in Cambodia between 2004 and 2009. Furthermore the data from the PID indicate that over 4 million people have potential benefit from the projects.

Table 19: Poverty Rates 2004 and 2009

Province	Poverty Rate*		Change in Poverty Rate	Project Beneficiaries**
	2004	2009		
Banteay Meanchey	39.5	30.8	-22%	305,637
Kampong Speu	42.1	32.7	-22%	327,170
Kampong Thom	41.0	34.2	-17%	596,237
Otdar Meanchey	47.0	38.8	-17%	112,433
Preah Vihear	50.4	44.2	-12%	128,998
Prey Veng	33.1	26.9	-19%	252,346
Siem Reap	42.4	32.4	-24%	235,739
Svay Rieng	32.5	22.9	-30%	431,088
Takeo	31.8	25.3	-20%	11,319
Battambang	37.0	28.9	-22%	72,016
Kampong Cham	32.8	26.1	-20%	110,398
Kampong Chhnang	38.5	32.9	-15%	5,710
Kampot	26.1	19.9	-24%	46,014
Kandal	27.6	17.8	-36%	13,616
Koh Kong	35.6	27.7	-22%	301,638
Krong Preah Sihanouk	31.3	20.4	-35%	94,912
Kratie	43.2	37.7	-13%	74,119
Mondul Kiri	46.8	37.6	-20%	426,992

Phnom Penh	7.4	0.3	-96%	41,992
Pursat	41.2	34.5	-16%	75,748
Ratanak Kiri	50.4	41.2	-18%	212,432
Stung Treng	45.5	41.6	-9%	44,486
Krong Kep	32.9	21.8	-34%	160,447
Pailin	41.4	30.5	-26%	197,981
Grand Total	35.3	27.6	-22%	4,279,468

* Percentage of households under the National poverty line.

** Project beneficiary data for only 2009 were available and refer to all C/SF sub projects recorded in the PID (not specifically RILGP funded projects).

Source: Cambodian Socio-Economic Survey 2004 and 2009 (MOP).

Connecting communities with road networks is often only one of many factors that influence development and social and economic change of a community. There are a number of other factors which are at work simultaneously (such as resource endowment, political factors, access to finance, other development projects, etc). The relationship between the road and the social and economic changes in its area of influence is not always clear and very often what a study can establish is simply that the road connectivity, along with other factors, are positively correlated with change¹⁴.

Although it can be difficult to attribute and measure the project impacts on poverty reduction RILGP has, it would be safe to conclude, based on the evidence (previous studies on RILGP impacts, internationally recognized development practice and theory and anecdotal evidence from the MTR) that RILGP has made a contribution to poverty reduction (along with other contributing factors such as other projects that have been contributing to infrastructure development in the health and education sector, general economic growth throughout the project period, etc).

5.6.4 Impact: Benefits and Costs

This section outlines the benefits and costs of the project and attempts to estimate these where possible. By doing this, one can then assess the effectiveness and efficiency of the project. The benefits and costs can be seen as either direct or indirect. For the purposes of analysis the direct costs are assumed to be the project costs and the indirect costs are assumed to be all the other supporting costs for the delivery of the project and any other ongoing costs that may be required as a result of the project. Furthermore some groups do not benefit in the same way as other groups (poor and non-poor for example). This is also examined in this section.

(a) Direct Costs

The Direct Costs of the project are presented in the table below:

Table 20: RILGP Direct Project Costs (Grant and Credit Components)

	Total Grant and Credit (US\$ Million)	%
1. Local Planning and Investment		
Sub-Project Grants	47.96	82.3%

¹⁴ DFID (2000), <http://www.transport-links.org/>

2. Policy Support and Project Management		
Civil Works	0.47	0.8%
Goods	1.17	2.0%
Consulting Services B1	2.06	3.5%
Consulting Services B2	4.75	8.2%
Workshops and Training	0.09	0.2%
Operating Costs	1.75	3.0%
Total	58.25	100.0%

Source: RILGP Project Appraisal Document (2003) and Project Paper (2007)

Approximately 82% of the RILGP funds are allocated to the development of rural infrastructure through the C/SF. This is a large proportion of project funds allocated to the development rural infrastructure compared to the allocation of project funds to consulting services (12%) and operating costs (3%). Development projects usually expend large amounts of project money on consulting services and operating costs, especially rural development projects. The main contributing factor to this situation is the utilisation of the structures already in place under the PSDD project in NCDD and the existing structures of NCDD and the supporting government structures at the sub-national levels. This approach has lead to the RILGP being effective and efficient in the delivery of resources (see sections below).

One measure of efficiency, is to take the costs for the project components and determine an allocation of these costs across communes and across years to get an average figure per commune per year (Table 21).

Table 21: RILGP Direct Project Costs by Commune

	US\$ Million	US\$ per Commune per year
1. Local Planning and Investment	47.96	3,698
2. Policy Support and Project Management	10.29	793
Total	58.25	4,492

Note: 1,621 communes and 8 years of RILGP.

Source: RILGP Project Appraisal Document (2003) and RILGP Project Paper (2007).

The value of sub-projects (US\$47.96 million) allocated to the communes over the project period equates to approximately US\$3,698 per year for each commune. This is not a sizable amount for road development in each commune (most communes use the C/SF for commune road development) however it appears that many communes make good use of these funds in commune and village road development. The costs for supporting this allocation of funds for rural infrastructure development (US\$10.29 million) equates to approximately US\$793 per commune for each project year indicating an efficient use of project resources.

(b) Indirect Costs

RILGP does not operate in isolation however, and relies on significant delivery and support systems from other projects and government systems. The support provided by the PSDD, the NCDD and the RGC staff and structures is important for the success and delivery of results for RILGP. The following table estimates the costs of these project delivery and support structures.

Table 22: Estimation of the Indirect Costs of the delivery of the RILGP

Category	Numbers	Est. Annual Cost (US\$ Million)	Total Cost 2003 – 2010 (US\$ Million)	Comments/Assumptions
ExComm	23	0.115	0.9	
PSDD Advisory Support to RILGP		18.0	144.0	assume \$18 mill per year (based on estimate of PSDD). Includes all advisers at Provincial and National levels.
C/S Clerk	1,621	0.5	3.9	\$25 monthly salary
Commune Administration Budget *	1,621	6.6	52.8	From actual figures and estimates
DFTs	702	0.4	3.4	193 districts - assume 4 per district
PFTs	223	0.3	2.1	assume 2 per province
TSOs	241	0.29	2.3	assume monthly salary of \$100 USD
PLAU staff	139	0.11	0.9	assume 4 staff in each province
Provincial Operations Costs	23	0.46	3.7	assume \$20,000 per annum for office running costs
National Government Support (salaries)	20	0.072	0.6	assume average of \$300 per month
National Operations Costs	1	0.2	1.6	assume \$200,000 per annum for office running costs
Total			216.6	

* the cost of C/S Councillors and Village Chief allowances are included in the Commune Administration Budget.

Source: Pers Comm PSDD & NCDDES staff

The results of this exercise give a broader picture of RILGP and the indirect costs associated with it. However, by adding these indirect costs to the direct project costs of RILGP, then the picture is changed somewhat.

Table 23: Total Estimated Direct and Indirect Project Costs

	US\$ Million	Proportion
Sub-Project Grants	48.0	17%
Consulting Services	150.8	55%
Operating Costs	59.8	22%
Salaries and RGC Staff Costs	14.5	5%
Other (Civil Works, Goods, Workshops)	1.7	1%
Total	274.9	100%

Source: Table 21 and Table 22

When considering both direct and indirect costs, sub-project grants (investment in rural infrastructure) is a much smaller proportion of total costs, compared with considering RILGP in isolation. In this case, it is only 17% of the total costs. The major costs are now consulting services (55%) and operating and other costs (28%). Taking these costs and converting them to a commune average per year then approximately US\$17,500 per commune is used to deliver US\$3,700 worth of rural infrastructure projects (on average) in each commune.

Table 24: Total Estimated C/S Support Costs by Commune

	US\$ Million	US\$ per Commune per year
Sub-project Grants	48.0	3,698
Support and Project Management	226.9	17,498
Total	274.9	21,196

Note: 8 years of RILGP and 1,621 communes.

In other words, there is a project delivery and support cost of approximately 4.7 times the actual capital investment cost. In this context it could be more efficient if more funds were directed to infrastructure projects (i.e. increase the value of funds for sub-projects), thus better utilising these delivery and support systems. The costs for the support and project delivery systems could be viewed as “sunk” costs i.e. these costs are already in existence. They support an adequate project delivery system, but there is probably room for some rationalisation and efficiency improvements in these systems and processes and this would improve future project delivery results. Cooperation between the donors to NCDD and the RGC would need to occur if there were to be some rationalisation and improvements in these delivery and support systems, which would then lead to a more effective and efficient project delivery and support systems.

Another area of potential indirect costs is the potential opportunity costs associated with RILGP funds. There are other projects and donors operating at the C/S level and hence providing funds to undertake projects, sometimes at higher levels than the RILGP and C/SF. There is a risk that if the Councillors focus on these other projects then the quality of RILGP projects may decrease or the rate of RILGP and C/SF project implementation may also fall. Given the approach of the other projects however (project funded and initiated support and delivery structures) the Councillors tend not to put significant energy and focus into these other projects, except at the project identification stage and proposing projects at the DIW. Once the projects have been selected by the line agencies, NGOS and other donors, the Councillors have limited or minimal involvement in their implementation. The RILGP – C/SF projects are really the only projects that they can actually implement. Unless other donor funded projects, NGO and line agencies align the implementation of their projects through the C/S system as RILGP has done, it would appear that the focus of the Councillors will remain on the RILGP and C/SF projects.

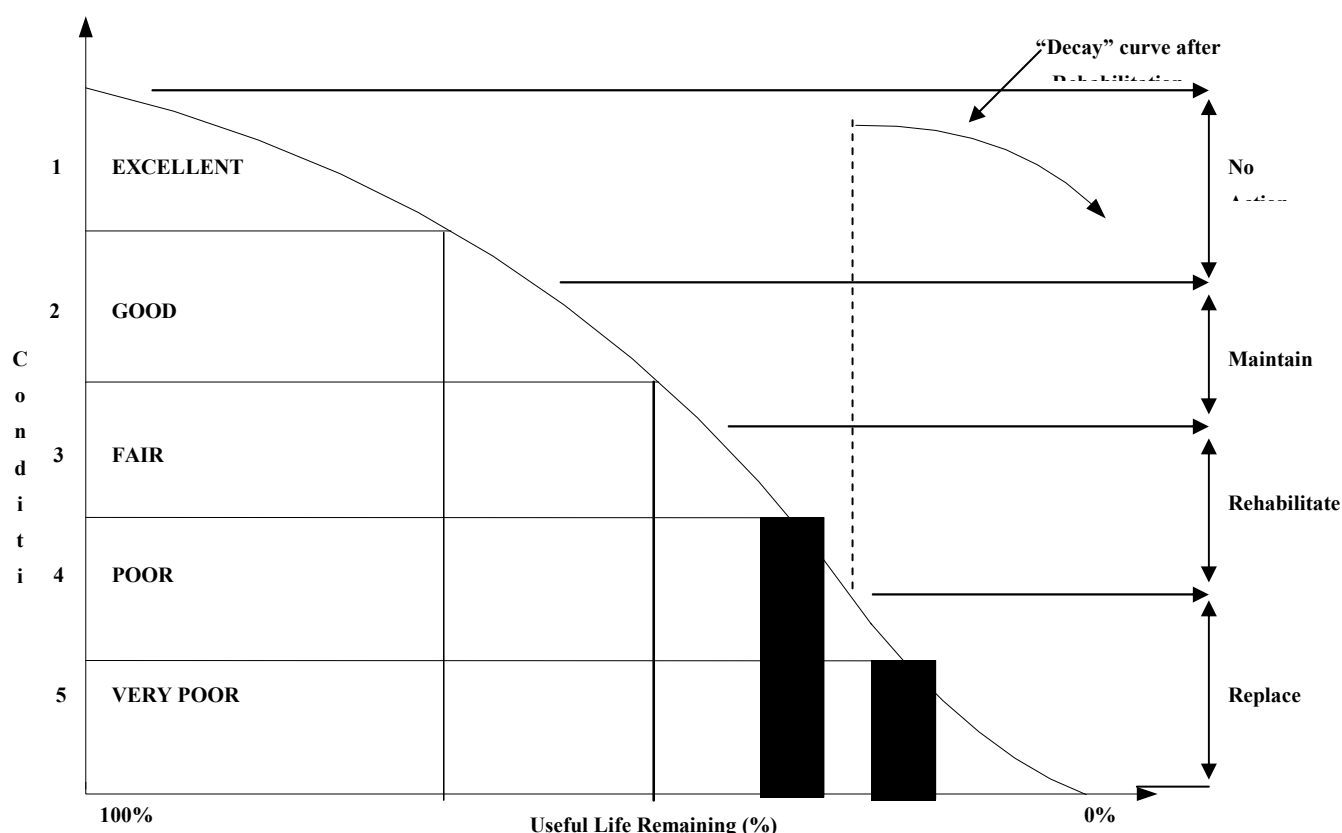
Other potential indirect costs may be:

- Lack of awareness and understanding of community members on quality construction can lead to poor quality infrastructure being implemented, which becomes a longer term economic and social cost.
- Delays in projects being implemented largely come from the government processes – delays in getting the C/S to do their CIP, holding the DIW, and then getting to the stage where they can tender. It is usually wet season by the time they can begin implementation but they have to delay it until the rains stop. In the mean time prices can increase and contractors wish to re-negotiate or they will “cut corners” in order to make the desired level of profit.
- With increased opportunities for mobility, however, there are also increased risks of exposure to negative influences from towns and cities, such as drugs and human trafficking, particularly for young, poor rural women.

- Possibility of increased land prices, resulting from better accessibility between rural and urban areas (externalities for people outside of the project areas).

Periodic Maintenance: It is worth mentioning the potential risks and the costs of lack of maintenance of infrastructure of physical assets. Long-term social and economic benefits from roads can be threatened by neglecting regular maintenance. Rural roads, particularly gravel roads, quickly deteriorate if not regularly maintained, and benefits can be quickly lost if the roads are periodically impassable or the overall condition is bad. Infrastructure assets decline in condition and serviceability over time and without adequate maintenance they become unserviceable and need replacement.

Figure 7: Typical condition decay curve for infrastructure assets¹⁵



There were a number of cases where the C/SF projects or RILGP projects were focused on rehabilitating roads that were in poor condition. It may be more efficient however to undertake periodic maintenance rather than wait until the road is in such poor condition that it needs major repair or rehabilitation. Regular maintenance can also benefit the local community in terms of day labour.

In terms of the annual maintenance costs for RILGP-C/SF funded road projects, some indicative costs are:

Costs	US\$ Million
Annual Maintenance (on Infrastructure) - Year 0	0.72

¹⁵ Guidelines for Implementing Total Management Planning, Asset Management: Asset Evaluation and Renewal - Implementation Guide, *Total Asset Management Manual*, New South Wales Government, 2001

Annual Maintenance (on Infrastructure) - Year 10	1.33
Annual Maintenance (on Infrastructure) - Year 20	2.87
Assumptions	
Proportion of Capital Costs required for annual maintenance ¹⁶	1.5%
Annual Inflation Factor	8%

These annual costs assume a constant but compounding growth factor. The more assets constructed, the more the C/S budget will need to be allocated to maintenance. If not, then significant costs will be needed in the future to replace and rehabilitate. This practice will not only have significant direct costs (of replacement and major rehabilitation) but indirect costs as access to markets, and government services such as education decline and thus negatively impact on economic and social development.

(c) Direct Benefits

There are a number of direct benefits from rural road development, including:

- Time savings – this is a benefit for those who travel more frequently (such as migrant workers) and traders who may access the farm gate to buy agricultural products. Time savings also allows those with skills and/or savings to invest in other small businesses.
- Reduction of transport costs which are important for transport operators but also their customers. Keeping transport prices down also keeps input costs of production down as well.
- Traders can travel to the farm gate to buy products. This gives farmers more choice of potential buyers and hence can get a fairer price for their products (thus improving household income and creating conditions for poverty alleviation).
- “Injection” of funds to the commune level contributing to local area economic activity and development through wages for labour on infrastructure construction, purchase of services, periodic maintenance, etc.

(d) Indirect Benefits

Some indirect benefits associated with RILGP are:

- Fostering trade and small or medium enterprise (SME) development in local areas. Improved roads and the ability to transport goods more efficiently provide opportunities for those who can afford the investment to start a small store in the village or to buy village produce or to make their own and sell it in nearby market centres. The road is an important enabling condition in the decision about whether or not to develop a small business. Small and micro-businesses are an important means of income creation and enhancement for the poor, provided that they have some initial capital;

¹⁶ This is one approach to determining an approximation of the annual asset maintenance costs. The rate or proportion used can vary depending on the asset. Some sources suggest 0.7% or up to 1.5% such as the University of Tasmania Strategic Asset Management Plan 2006 - 2011

(http://www.utas.edu.au/universitycouncil/plans_structure/samp.pdf) OR Government of Indonesia and GTZ (2007), Mini Hydro Power Project

http://www.mhpp.org/docs/0607/Form%20D2b_Operational%20Cost%20v1d.pdf.

- The road also broadens opportunities and choice. There are more services and facilities that can become available in the local area or they are more accessible in the District town.

The quantification of benefits and some of the costs can be difficult. The purpose of the MTR is not to do this, but to assess the available evidence and draw relevant conclusions. To assist in drawing such conclusions, turning to results of other studies can be useful.

- ADB Country Assistance Program Evaluation for Cambodia, 2004 – This report stated that the Rural Infrastructure Improvement Project's outputs included the rehabilitation of 1,172 km of rural roads, 1,405 crossing structures, 187 bridges, 144 school buildings (576 classrooms), 133 hand-pump wells, 71 school latrines, and 15 rural markets. The report concluded that the project made basic social services (health care, skills training, literacy, credit, and extension services) accessible to the rural poor and that the project also enhanced the mobility and employment opportunities of the rural poor in farming and non-farming activities, thus contributing to achievement of outcomes. For example, about half of the households interviewed had higher household incomes (increased by about 30%) after road construction, because it became easier for them to transport their products to markets (two hours instead of the whole day) and more time was left to do other jobs.
- Asian Development Bank Support for the Transport Sector in Viet Nam Evaluation Study, August 2009 – Surveys undertaken in the course of this study reflected the impact of improved infrastructure on poverty reduction; showing that investing 1% of provincial gross domestic product (GDP) in transport infrastructure could reduce poverty by 0.5–1.0% and that an investment of \$50 million in transport in the 15 poorest provinces could reduce poverty by 6–7%. The estimated economic internal rate of return of completed national transport projects in Vietnam from 1993 to 2008 showed that the EIRR of provincial roads was 20.3%.
- Asian Development Bank study on Road Development and Poverty Reduction in Lao PDR, February 2005 – Regression analysis was used to confirm that improved road access raised real consumption expenditures and thereby reduced poverty. Between 1997-98 and 2002-03, rural poverty incidence in Lao PDR declined by 9.5 per cent of the rural population. The analysis of the relationship between poverty incidence and road development in the study suggested that about 13 per cent of this decline in rural poverty was attributed to improved road access alone. The study concluded that rural road provision was not a cheap strategy for poverty reduction (but it appeared to be a necessary one). The results of this study concluded that in a country like Laos, where roads were primitive, improving road access was an effective way of reducing rural poverty.
- The MRD and Seila Task Force Secretariat, Economic Evaluation of Laterite Roads supported by C/SFs in 2003 (study conducted 2004) undertook a detailed study of rural laterite roads based on a sample of sub-projects. The study concluded that the variation between sub-projects was considerable: some sub projects had an estimated IRR of over 70%; whilst others were negative; but the overall economic rate of return was 33%.
- An Economic Evaluation of Decentralised Rural Infrastructure Investments in Cambodia, 2003, Julian Abrams (2004). This study estimated that the road projects in Cambodia yielded an EIRR value of 25% with proper maintenance. This figure dropped sharply to 6% if adequate and regular maintenance was not performed.

Given the factors and arguments above, it is concluded that the benefits accruing to the project are of a sufficient level to have a beneficial impact overall and play a contributing role in the reduction of poverty. There will be some groups that will benefit more than others however. It is not equal among all groups. Many factors will influence who and how they will benefit. This is discussed in more detail below.

(e) Disaggregation of Benefits

(i) Poor And Non-Poor

Transport is a means to an end. Transport alone does not reduce poverty, but it serves a crucial and complementary role in the process of poverty reduction¹⁷. It leads to the reduction of poverty mainly by increasing economic efficiency—by lowering costs and prices and enhancing opportunities. In general, transport projects are expected to contribute to poverty reduction through its indirect impacts on economic growth or its direct impact on personal welfare of the poor. The impact the project would have on poverty reduction depends on both the type of infrastructure or services and the areas and people the projects serve. Hence there are a number of variables that will determine the impact of road projects.

Gannon (1997) concludes that in general, local access roads in poor rural and urban areas make only a modest contribution to national income growth, but they are likely to have a direct and significant impact on the daily life of the poor. Major transport networks linking industry and production to domestic and international markets are more likely to have National Income benefits. The process through which the benefits of transport investments lead to improvements in the standard of living of the low-income groups often involves many links and therefore very difficult to predict. Roads are an important enabling condition for improvement of living conditions in rural areas. However, in relation to the distribution of economic benefits there are no guarantees that ensure economic benefits will be distributed equitably between the poor and non-poor in communities¹⁸. Research on a number of ADB-funded road projects concluded that (ADB 2006):

- In all case study projects, the poor and very poor benefited substantially from rural roads through access to government services, as well as access of services to the villages. However economic benefits achieved were clearly different for different socio-economic groups.
- The poor rely on the primary network of paths, tracks, culverts, and basic access routes in the immediate village vicinity. Improvements to this primary village network that reduce the burden in undertaking basic household and productive tasks, are likely to have a greater initial impact on their well-being than improved availability of motorized transport services, which they do not or cannot afford to use, and which are not linked to their existing livelihood strategies. Therefore, improving transport within a village is as important to the poor and very poor as providing access to markets outside the village.
- With increased opportunities for mobility, however, there are also increased risks of exposure to negative influences from nearby urban centres such as drugs and sex trade.

The ability of the poor and very poor to make significant economic use of a road largely depends on their asset base and the entitlements to resources and opportunities that they can command, such as:

¹⁷ Colin Gannon, Zhi Liu, 1997, "Poverty and Transport", World Bank, Washington DC

¹⁸ ADB, 2006, "When do Rural Roads Benefit the Poor and How? An In-depth Analysis Based on Case Studies

- existing stock of assets to exploit for income generation (land, capital, knowledge)
- access to finance
- access to markets

Therefore the poor will need support (complementary or integrated projects with road projects) to make use of the opportunities that rural roads may bring if there are such constraining factors as above. This suggests that integrated projects are needed to tackle poverty effectively.

Furthermore, other issues related to transport development that could negatively impact on the poor are: (Gannon, 1997):

- The usual practice of the measurement of benefits and costs based on monetary values such as willingness-to-pay (as registered through the market system) actually tends to favor higher-income groups. The poor may not prioritise road projects but rather prioritise livelihood or income generation projects instead.
- The narrow focus on efficiency criteria tends to neglect the needs of the poor since efficiency criteria tend to be biased towards the requirements of motorised transport. This is not necessarily meeting the needs of the very poor or can disadvantage the poor by neglecting modes of non-motorised transport.
- Vehicle emissions and traffic accidents appear to harm the poor more than the rich.

The issues raised above indicate that transport development does not automatically benefit all the people in the target communities. There will be a number of factors that will determine the impact on different socio-economic groups (it may benefit some more than others) although in general, improvements in rural transport conditions can have greater welfare implications for the poor than for the rich (Gannon, 1997).

The types of road projects constructed under the RILGP were both inter-commune and intra-commune – improving access to areas outside the commune and improving access within the commune. They were specifically initiated to improve local access to services and markets. It can be concluded that this approach would yield greater benefits to a larger number of poorer people than would improving major transport networks (such as major highways).

(ii) Gender And Transport

Access to transportation on safe roads has a direct impact on the economic standing and quality of life in affected communities. Communities are affected through increased opportunities for trading, availability of health care, and stronger community ties. All these benefits are extended to both men and women, but can affect women differently¹⁹.

Women and men are engaged in three basic types of transport tasks²⁰. Their involvement and related needs for these tasks are shaped by their gender roles and responsibilities. The specific nature of these tasks can vary by country, socio-economic factors, ethnic groups, location, and other factors.

- Livelihood-related (such as travel for agriculture, markets, business, labour).
- Service-related (such as accessing health care, education, other services).
- Household-related (such as carrying water, firewood, grain for processing) - an area largely "invisible" to transport planners and providers in the past.

¹⁹ ADB, 2007, Socially Inclusive and Gender-Responsive Transport Projects: A Case Study of the Timor-Leste Road Sector Improvement Project

²⁰ <http://www4.worldbank.org/afr/ssatp/Resources/HTML/Gender-RG/module1/index-p1.html>

It is mainly the task of women and girls to undertake the unpaid household-related transport tasks. Men tend to dominate in the livelihood-related tasks that are part of the market economy. Women and girls generally have less access to and control of means of transport.

If there are more opportunities for women to engage in buying and selling and access to markets (economic empowerment) this can lead to greater independence for women in female-headed households and lessen the risks associated with vulnerable women and children being trafficked (economic empowerment reduces the risk of trafficking). If women do not have to travel as far from the home and can sell produce at local markets (which are more developed or are established due to improved access) then this has a direct benefit for women. Furthermore, improving access to health services, especially in emergencies, can greatly reduce maternal mortality rates. Limited access to transportation and high transportation costs are key barriers to such medical assistance. Safe roads that are well maintained increase traffic, and can cut transport costs for the very poor, eliminating a key barrier to accessing medical treatment, especially for women. Access to transportation allowing women and young girls to travel to school is important. The lack of access to adequate and low cost means of transport inhibits opportunity for girls in particular, to attend secondary school.

The nature of the RILGP (improving local access to services and major transport networks outside of the communes) indicates that there is a likelihood that can lead to benefits for women.

(iii) Highlands People (HP)

In Cambodia the provinces that have the highest proportion of ethnic minorities or “highlands people” have some of the highest poverty rates in the country. The reasons usually for this, are due to the remoteness and lack of access of highlands people to basic government services through limited transport networks.

Education and health are the basic needs of indigenous peoples in order for them to develop their knowledge and skills to attain secure livelihoods²¹. Education is an important element of capacity building and empowerment. With regard to health, many indigenous villages are located far from district health centers and commune health posts and have no access to health services. There are a number of other factors to accentuate the poverty problem in highlands areas, such as culture, traditional agricultural practices, and language barriers, destruction of natural resources and lack of basic public infrastructure. The development of roads and improving access to these areas will not directly tackle many of these issues but it will improve opportunities for highlands people to access education and health services. Access alone will not improve literacy levels for example but it provides the opportunity. Ensuring adequate representation for highlands people in commune decision making and resource allocation and project selection will begin the process of meeting the needs of these people. The safeguards measures in the PIM for the RILGP sub-projects are designed to support this representation process. There is a need to have specific measures in place to support and promote the needs of highlands people. If not then they would tend to be overshadowed by the needs of the majority.

C/SF records indicate that there are fourteen provinces with representation of highlands people communities, with Ratankiri and Mondulkiri having the highest proportions.

²¹ ADB 2002, Indigenous Peoples/ Ethnic Minorities and Poverty Reduction – Cambodia
(http://www.adb.org/Documents/Reports/Indigenous_Peoples/CAM/chapter_5.pdf)

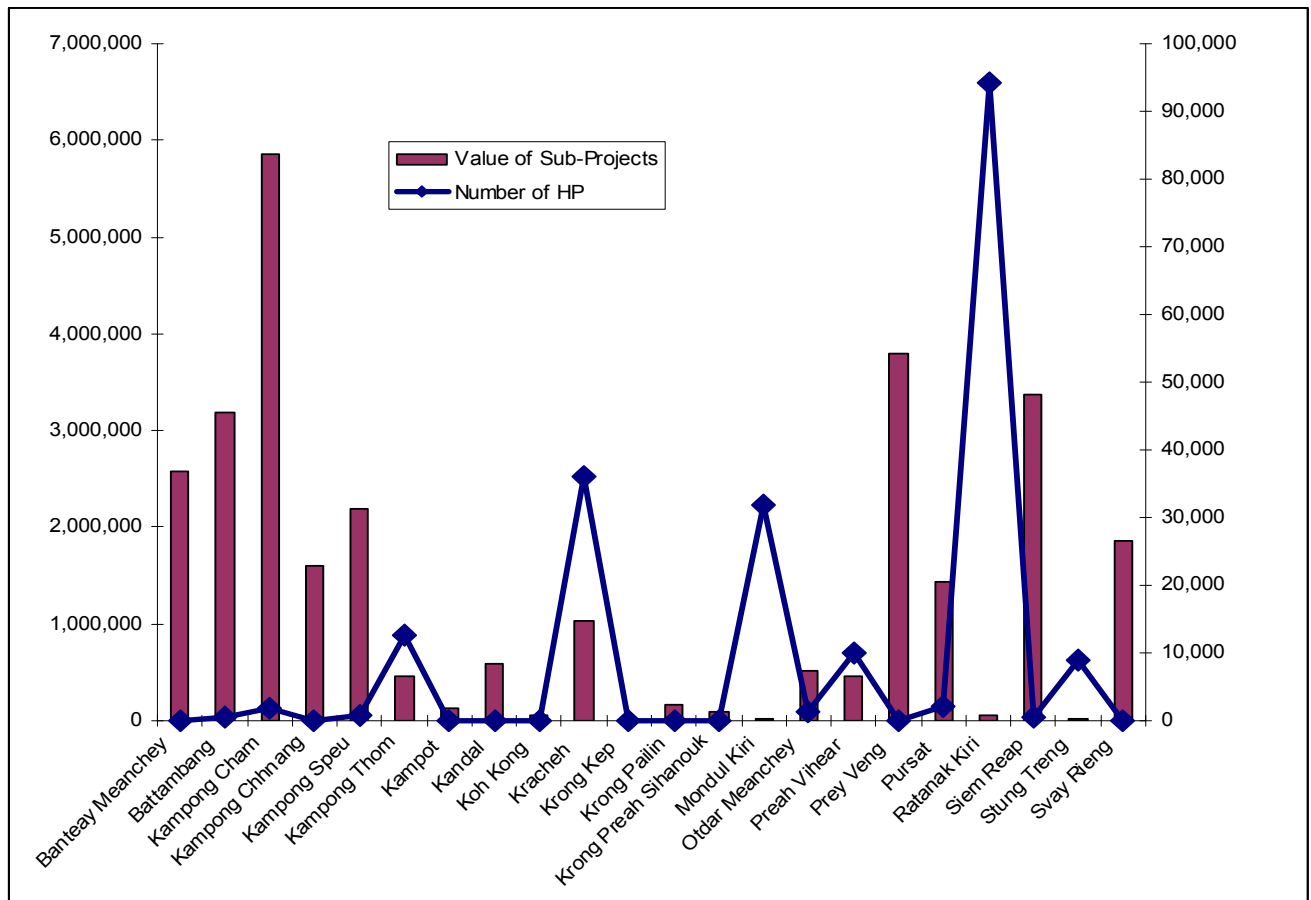
Table 25: C/SF Project Value and Highlands People by Province

	Total Project Value (2009) (US\$)	Number of villages with Highland People	Total Number of Highland People in the villages	% of village population being Highland People in these villages
Banteay Meanchey	2,574,943			
Battambang	3,193,959	4	510	44%
Kampong Cham	5,866,262	9	1,883	29%
Kampong Chhnang	1,605,115			
Kampong Speu	2,183,840	5	750	50%
Kampong Thom	456,990	32	12,744	44%
Kampot	132,626			
Kandal	581,670			
Koh Kong	64,302	1	24	27%
Kracheh	1,027,455	69	35,980	42%
Krong Kep	13,524			
Krong Pailin	169,408			
Krong Preah Sihanouk	83,673	1	117	12%
Mondul Kiri	11,039	90	31,829	55%
Otdar Meanchey	515,347	9	1,430	26%
Preah Vihear	454,257	34	9,961	34%
Prey Veng	3,791,685			
Pursat	1,437,917	16	2,104	13%
Ratanak Kiri	55,030	212	94,263	80%
Siem Reap	3,362,801	5	485	7%
Stung Treng	17,873	33	8,928	29%
Svay Rieng	1,862,722			
Takeo	3,567,945			
Totals	33,030,383	520	201,008	

Source: PSDD/RILGP Data (2009 figures)

When comparing the value of sub-projects to where the highlands people are located, it shows that provinces with the highest investments in C/SF sub-projects had the lowest number of highlands people or none at all. Conversely the provinces that have high proportions of highlands people had the lowest levels of investment in sub-projects.

Figure 8: Comparison of Highlands People Location with C/SF sub-project Investments



This pattern indicates that specific programs that target highlands people may need to be considered if such imbalances are to be addressed. There is no automatic mechanism that will distribute the benefits to highlands people. This is the same argument for distribution of benefits to the poor – it is not automatic and specific interventions need to be considered. Furthermore highlands people tend to be among the poorest in the community.

5.6.5 Impact: Good Governance

The Good Governance Framework associated with RILGP contains seven main elements: procurement; financial management; disclosure; civil society; complaints and remedies mechanism; sanctions; and technical quality of design and construction. Procurement, financial management and technical quality are covered in other sections of this report and in this section we will deal with the remaining four elements.

Disclosure: The NCDD website functions well and documents pertaining to the Project and CSF are available. At the C/S level, C/S Chief and Councillors are aware of the need to post information on notice boards and these boards are present at the commune centre and in villages. However, in the C/Ss visited, few were up to date and few contained full information. The information posted on the boards suffers from weather damage and theft (usually by children) and it often becomes too big a job to copy all the information and continually replace/update it. Recent relevant information was sometimes taped to the walls of the C/S offices, rather than placed on notice boards.

Civil Society involvement: CSOs were active in all areas visited by the team, however the variety and capacity of the organisations was limited. It was hoped that the CSOs would provide more work with communities on civic education/empowerment to complement the CSF activities. However, the CSOs seemed to provide limited specific training courses or inputs on their selected speciality with little attention to empowering communities. CSOs are being invited to an increasing range of CSF activities including District Integration Workshops but do not seem to participate in bid opening meetings. At the District Integration Workshops, CSOs fund very few activities from the CIPs but fund external activities ie activities not included in the CIPs but to which the C/Ss agree to accept. While to date, civil society involvement is limited, as noted by Manor (2008)²² that ‘when democratic decentralisation works even somewhat well, it stimulates the growth of civil society’. Therefore by continuing with the decentralisation process, we should see a more vibrant responsive civil society.

Complaints and remedies mechanism: The PAWGs are operating and people are aware of their structure and membership and their role in reviewing complaints and implementing solutions. Everyone also agreed that the Accountability Boxes were a good idea and the boxes were clearly visible in all C/Ss visited. Some C/Ss are experimenting with the location of the boxes and trying to find locations where people feel comfortable to put complaints in the box. However, two issues arose when discussing accountability: in the C/Ss, any discussion on accountability focused only on the ‘Box’ and as the box is opened by the DFT (accompanied by the C/S Chief and Councillors) the C/S does not feel responsible for the complaints – it seems that by moving responsibility away from the C/Ss to ensure full accountability, we have decreased C/S accountability; secondly, there are very few complaints placed in the boxes and very little is happening in the C/Ss to make people understand that it is their right to complain if there is a problem with project implementation. Little information was available on the remedies used as there were so few complaints.

Sanctions: while the framework focuses on fraudulent and corrupt activity by staff and contractors, in the provinces people understood that the issue was associated with economic sanctions against provinces or districts for a problem C/S which was felt to be unfair and inappropriate. They felt that if the problem was caused by individuals then the sanction should be against those individuals, but how this might occur was not yet clear.

NCDD and RILGP have established the basis for improved governance throughout Cambodia and the understanding of governance is growing but more concentrated effort from all advisers and government staff and C/SC members is required to continue to improve the level of governance. Each visit by advisers and staff to a C/S must be a learning experience for all concerned where C/SC members are challenged on governance issues if issues are identified during the visit.

Also, it has been difficult to assess progress with improved governance as the indicators for governance have not been clearly defined and there has been little attempt to measure progress and collect, analyse and compare data. This is an issue with the M&E system and is discussed further elsewhere in this report. The KABP studies which should have provided some measure of progress with governance did not allow comparisons against a baseline and no analysis of the data had been done prior to the MTR, that the MTR Team could use to assess progress.

²² Manor, J. (2008), *Supporting Cambodia’s Decentralisation and Deconcentration Reforms: Issues and Options for Development Partners*, consultancy study funded by SIDA.

5.6.6 Impact: Decentralisation

Cambodia has done well in its ongoing journey of decentralisation as per the work done by Manor 2008, who identified three requirements for democratic decentralisation to work well:

- Substantial resources (human and especially financial resources) must be provided to elected bodies at lower levels.
- Substantial powers must be provided to them.
- Strong accountability mechanisms must exist – to ensure both the accountability of bureaucrats to elected representatives, and the accountability of those representatives to voters.

In order to continue the decentralisation reform, the RGC (supported by RILGP) has been formulating a NP-SNDD involving government stakeholders and development partners. The process is ongoing and we are currently on the fifth draft of the program.

The objective of the 10-year NP-SNDD is: to develop a management system of sub-national government that will operate with transparency and accountability in order to promote local democratic development and delivery of public services to meet the needs of citizens and contribute to poverty reduction within the respective territories.

The NP identifies five major challenges to be addressed and these challenges with findings from the MTR Team are presented below:

- a) Strengthen elected representation: District Councils were elected in June and have been meeting monthly since that time but are awaiting the regulations and guidelines for the full operation of the councils. In one district, in the absence of the District Governor, the District Councillor led the meeting. The C/SCs appear to be operating well with an increasing representation by women and significant changes in membership at the last election in 2007. However, there is no mechanism for measuring the performance of the C/SC and this should be a requirement to identify gaps in capacity and required training.
- b) Improve performance of sub-national administrations (clear functions and responsibilities): The capacity of district and C/SC members seems an issue that will take significant resources to resolve plus the added issue of changes in membership every five years with each election and the training of such new members. Capacity of C/SCs varies but members are receiving a lot of training from government, projects and NGOs that are serving to improve capacity and give members the confidence to become better leaders.
- c) Transfer financial and human resources: This still seems to be a problematic area and ministries are starting to do their functional reviews on responsibilities but if NCDD is to coordinate this, it will need more resources to do so. Following the identification of functions will come the need to look at resources (staff and finances) needed to implement the assigned functions. This needs to be done for all ministries and some development partners are beginning to support some ministries to do this work e.g. UNICEF with the Ministry of Rural Development and the Ministry of Social Affairs.
- d) Implement mechanisms that enhance participation and legitimise the voice of the people: The C/SF planning process involves people's participation and this is an excellent beginning but now that the process is in place it is important to maximise the benefits from the process and use the meetings to empower people to understand their rights and to give them the confidence to use their 'voice'.

- e) Build clear lines of accountability: At C/S level, there has been a ‘recentralising’ of some functions that were originally the responsibility of the C/SC e.g. contract bidding and accountability boxes. If we wish to make C/Ss more responsible and accountable to their own people, it may be better to give them the responsibility and support them to do the work correctly than to remove the responsibility in case they make a mistake.

5.6.7 Relevance

Relevance is based on the appropriateness of project activities to the problems that it was supposed to address, and to the physical and policy environment within which it operated.

The relevance rating for RILGP is satisfactory for the following reasons:

- The Project is consistent with, and supportive of RGC/WB development and cooperation policies;
- The Program contributes to rural development and poverty reduction through:
 - Provision of priority infrastructure and public goods at C/S level;
 - Strengthening of decentralised participatory local governance systems.

The following issues associated with relevance were identified by the MTR Team and RILGP relevance can be improved further if these are considered and addressed.

- Key stakeholder and target groups are clearly identified, but issues related to vulnerable groups (disabled and female headed households) are not sufficiently targeted;
- Institutional capacity issues not always sufficiently analysed (expectations and concerns of C/SCs, potential conflicts between stakeholders);
- Complementarity with ongoing or planned programs/projects is not properly assessed and there is limited opportunity to learn lessons from other projects and incorporate these into RILGP.

5.6.8 Sustainability

Sustainability is based on an assessment of the likelihood of benefits produced by the project to continue to flow after external funding has ended and with particular reference to factors of ownership by beneficiaries, policy support, economic and financial factors, socio-cultural factors, gender equality, appropriate technology, environmental aspects, and institutional and management capacity.

The sustainability rating for RILGP is satisfactory for the following reasons:

- RILGP is fully aligned with the RGC system: it uses the institutional structures of the RGC including councils at district and C/S levels, it relies on RGC government staff to implement activities, it reimburses funds that the RGC has already allocated and expended;
- Based on a participatory needs assessment process, it assists in providing priority sub-projects that meet the needs of village beneficiaries, who have the potential to be fully involved in all aspects of these sub-projects;
- RILGP has supported the development of policy by financing support studies that have been used as an input to laws, decrees and programs which all support democratic development and decentralisation and de-concentration;

- RILGP is increasing the awareness of cross-cutting issues through the use of its safeguard measures which have been incorporated into the PIM and people at all levels are aware of these. These issues of environment, highland people, land rights and gender can be discussed at all levels with acceptable levels of understanding;
- The RGC has placed the C/SF allocations as percentages of national revenue into law and releases sub-decrees for three year periods; and
- RILGP builds the capacity of government staff and elected officials at all levels to enable them to take an increasing level of responsibility in the implementation of the C/SF (and RILGP).

The following issues associated with sustainability were identified by the MTR Team and RILGP sustainability can be improved further if these are considered and addressed.

- PSDD advisers undertake very important roles and in some cases can substitute the work of government officials. Furthermore if there is a heavy reliance on the Advisory structure to ensure systems and processes are being followed then this does not ensure long term benefits in terms of strengthening government systems to be effective and transparent. It also implies that the project would need to develop a sustainable "exit" strategy or look at other options (see Section 5.5.1);
- Many elected C/S members have limited knowledge of government and management and have low education levels. Therefore they require further training to undertake management tasks. The provision of training and support of elected officials is required in this project but turnover of elected officials at each C/S elections can undermine the institutional capacity-building process (need to re-train);
- There will need to be an increase in trust between the villagers and their C/S councillors. The knowledge/perceptions/attitudes surveys (2008) indicated that there was a need to build more trust. This is important for people to actively participate in local decision-making;
- The change in the structure as a result of the Organic Law, means that more support and resources will be needed at the District level. If this is not undertaken sufficiently then this could impact on the long term sustainability of the effectiveness of management of government at this level and hence any further support through RILGP;
- Although it is recognized that the knowledge and capacity of the C/S Councils and administrative bodies has improved significantly since the start of RILGP, there is still a heavy reliance by the C/SCs on DFTs, PFTs, TSOs and other support agencies and higher levels of government to carry out their functions.
- Having elected officials at the local level to implement C/S work plans and priorities can be a constraint when there are political dimensions involved (they belong to political parties).
- The infrastructure constructed under the C/SF needs to be maintained if the community is to have sustained benefits. No resources are currently provided for maintenance and without such maintenance, the structures will become unusable. This matter is discussed further under Section 5.3 on Technical Matters.
- The full potential of the C/SF system has not yet been fully tested as most C/Ss have only one sub-project per year under the C/SF and this is usually infrastructure. The system is fully capable of handling several sub-projects from the range of sectors (economic, social, natural resources, administration and gender) and covering various

types such as infrastructure or service delivery. However, the capacity of the C/SC to manage all these sub-projects may be a constraint, but it may be useful in some areas to trial more adventurous use of the system.

5.6.9 Comparative Analysis

This section of the report looks at projects that have a D&D focus or a component that focuses on D&D and compares their mode of operation to RILGP.

Local Administration and Reform (LAAR) Project

This is a USAID funded project and implemented by PACT Cambodia from 2005 to 2010 and working in 8 Provinces and 356 C/Ss. The approach is to see local governance from a Demand (civil society and community) and Supply (C/SCs) perspective. The approach is to provide funds, matched by funds from the C/SC, to social projects (non-infrastructure) and work through local NGOs to deliver the projects (13 Provincial NGOs and 2 National NGOs). Approximately US\$3,000 per annum is provided to C/SCs for social or service-type sub-projects. It is a 60% contribution from the Project and the C/SC is required to fund the remaining 40%. Working with and assigning project delivery to NGOs is a strategy for capacity development and hence sustainability for the project work (working on the Demand side of local governance).

The project has established the presence of Community Mobilisation Workers in the selected C/Ss as a bridge between the community and the C/SCs. Their main function is to assist the villagers (in terms of knowledge and confidence) to interact with the C/SCs. The project also attempts to build relationships and partnerships between the C/SC and service providers.

Issues identified by the project

- There will need to be significant work and support to the C/SCs to identify service projects rather than the current bias to infrastructure projects.
- The Project has identified a need for building the capacity and understanding of the C/SCs to identify and design service projects, identify and select service providers.
- There are a limited number of potential service providers at the C/S level, so the Project is working with the Provincial authorities to assist in the development of local businesses to become potential service providers at the C/S level.

Comparison to RILGP

- Separate Project management structures are set up and the Project does not work through or build the capacity of existing government (management and financial) systems
- There is sometimes a separate planning process in the communities specific for this project and separate from the CIP and CDP processes.
- Focus in this Project is on social and service delivery type projects, not infrastructure.
- The Project requires the C/SCs to commit 40% of the C/SF budget to these sub-projects.

Democratic and Decentralized Local Governance Project (DDLG)

This is a UNDP and EU funded project of \$US15 million. It is a Nationally Executed project meaning it utilises government systems and processes. The project has an advisory role and is focused on sub-national empowerment mainly through:

1. Voice and Accountability (at the C/S level) – Public Forums at the community level.
2. Local Government Associations – National League of Commune/Sangkats.
3. Inter-Commune Cooperation Program.
4. Policy Advice at NCDD.

The ICC component is similar to the RILGP-C/SF in that funds are available to C/Ss for priority projects. This component follows the principles set out in the PIM when working with C/Ss for ICC projects at the C/S level. The project aims to empower C/SCs to engage with each other and determine priority projects across C/S boundaries and then implement those projects. The DDLG Project however has been advocating to include the ICC approach in the PIM. The funds are transferred from the donor to MOI then to the Provincial Treasury where C/Ss access the funds through their accounts in the Treasury.

Each District under the project receives \$30,000 for intra-Commune projects. There are 155 Districts in 12 Provinces under this project. The selection of the Districts is based on Provincial development priorities. The ICC projects were in the past restricted to infrastructure but now the C/Ss can use these funds for other social and service type projects. The sub-project value ranges from \$3,000 to \$5,000.

Issues Identified by the Project:

- Issues raised in the community forums are not being reflected in the C/S planning process (Community “voice” not being heard and incorporated in the CIP and the CDP).
- The Organic Law will change the mode of support and will require more resources to support a decentralised system
- Administrative decentralisation is moving swiftly but the absorptive capacity is not keeping pace, mainly at the technical level. There are few line Ministries ready and willing to transfer functions to sub-national levels.
- Fiscal decentralisation is slow and in some cases being resisted
- There is a bias towards infrastructure sub-projects, mainly due to the influence of the PIM, but people’s perceptions about the need for transport infrastructure.
- The PIM is a solid guideline but C/Ss need significant support in following the guidelines.
- There is a need to connect the C/SCs with increased participation with the private sector → focus more on service delivery and partner with the private sector.

Comparison to RILGP

- The main difference between the ICC component of this project and RILGP is the cooperation across C/S boundaries on project identification, design and implementation.
- This Project has other components that build voice and accountability explicitly whereas does not.
- There is an explicit Policy component which RILGP does not have

Natural Resource Management and Livelihood Program (NRML)

This project is funded by Danida and DfID and runs from 2003 to 2010 with a total budget of US\$60 million (US\$20 million of which are used for investments at the sub-national level). The main entry point for the NRML is the CDP and the CIP for identifying sub-projects for support. They are operating in 12 Provinces, 78 Districts, and 636 C/Ss. C/Ss receive between US\$6-8,000, Districts US\$30,000 and Provinces US\$40,000. The selection of project Provinces and Districts is based on a number of criteria, such as key NRM issues (upland regions, Tonle Sap region) and what other donor projects are doing (to avoid duplication). The Project interacts at the Province and District levels to ensure the NRM project is coordinated with the planning processes at these levels

Issues Identified by the Project:

- Measuring the impact of a large range of small sub-projects is a challenge for this Project.
- Attempting to improve the engagement of local NGOs and CBO has been a challenge but it is improving (in 2007 there was 1 NGO working in 2 Provinces. By 2009 there were between 15-20 NGOs operating in all Project Provinces in delivering services funded by the Project at C/S level).
- There is a need to modify the PIM to account for service and social type projects.

Comparison to RILGP

- The Project relies on Technical Officers in the Province to assess and give technical clearances to the projects (similar to RILGP).
- The Project also utilises the NCDD structures and the LAU at Provincial level. Previously there was a separate project structure. Currently the project utilises Provincial structures (similar to RILGP but to the same extent).
- Provinces and Districts main roles are technical support to C/Ss (same as RILGP).
- Actively attempt to increase the participation of NGOs and CBOs in the planning processes at sub-national level (different approach to RILGP).
- The PIM process is not really applicable to the project types that are being funded under NRM. The NRM project is now piloting the tendering and call for proposal process from local NGOs and CBOs to undertake social and service type projects.
- The funds go from the Project to NCDD then to Provincial Treasury and finally C/Ss. This process does not go through MEF as does RILGP.
- The Project provides some support to the C/S in order for them to hire an assistant to help with the increasing workload brought by the Project (this is different to RILGP and probably not sustainable post-project).

An Innovation in Decentralization and Local Development (IDLD)

IDLD is executed by NCDD and is funded by UNCDF with the International Fund for Agricultural Development (IFAD), UNICEF and PSDD as working partners, in four target districts in Prey Veng and Svay Rieng provinces to pilot innovative approaches to district based, inter-communal service delivery arrangements from 2008 to 2010. It is complementary to the PSDD project and its total budget is US\$2 million. The purpose of the IDLD project is pro-poor local development including improvement in coverage and quality of local infrastructure and service, better local-level natural resources management and accelerated and broad-based local economic development. The main components are:

1. Support to policy formulation on sub-national planning processes. This involves working with Ministry of Planning (MOP) to improve planning processes with the result of the sub-national decree on planning. There may be some “testing” of these guidelines in some Provinces in the future.
2. Support to policy formulation of sub-national finance. This has involved working with MEF in the formulation of sub-national laws that focus on financial instruments and processes at Provincial and District levels as required under the Organic Law.
3. Support to NCDD secretariat – Local development outlook – research linkage between the D&D reform and local development.

Issues Identified by the Project:

- It is not clear under the Organic Law regarding the decentralisation of functions and responsibilities on line Ministries to sub-national levels of government. Functional reviews will need to be done, for example in the Education sector, to research this challenge and identify the best approach to devolve functions and responsibilities. IDLD will fund some research into such issues.
- Capacity of the C/Ss is low in relation to budget management. They rely heavily on the Province for support.
- The Provincial and District levels of government need to understand and adapt to the Organic Law and its implications for increased responsibilities and functions at that level. There will be a need to develop more capacity to take on these increased responsibilities.

Comparison to RILGP

- The focus of this Project is on support to policy formulation related to D&D at the National level.
- It is a complement to RILGP

Rural Livelihoods Improvement Program (RULIP)

The project is being implemented in Kratie, Preah Vihear and Ratanakiri with 21 districts, 144 C/Ss and 698 villages. The project period is 2007 – 2014 and has a total value of US\$11.5 million. The goal of improved livelihoods is intended to be achieved through:

- Farmers and communities adopt improved and sustainable farming and agricultural land management systems;
- Improved services delivered to the poor in a participatory and demand-driven manner; and
- Increased capacity for policy analysis and pro-poor policy formulation for the agricultural sector and for mainstreaming gender within the sector.

The project has two components:

1. Livelihoods Improvement – improving the food security of the poor and promoting agricultural diversification and market oriented agricultural development.
2. Support for Decentralization and Deconcentration in Agriculture – Support for Provincial Agriculture Investment Program; Policy Analysis; support for gender mainstreaming in agriculture; and learning communities. The existing Ministry of Agriculture, Forestry and Fisheries (MAFF) Project Support Unit has the overall responsibility for the management of the project.

One of the main project strategies was to set up farmer groups, train the farmers and then provide inputs which are paid back into a revolving fund. The value is about US\$100 per household. The Project sets up a District Support Team (who are staff of the Department of Agriculture) and Community Extension Workers (who support the farmer groups) and work closely with the C/SCs. There is an attempt to work within the framework of the CIP and the District Integration Workshop.

Issues Identified by the Project:

- The delivery of service projects by NGOs are difficult to monitor and assess performance for C/S and Districts.
- Competitive bidding – NGOs find it difficult to comply with technical requirements whereas for construction contractors it is a much smoother process.

Comparison to RILGP

- The Project establishes structures (such as the District Support Team) that are linked to line Ministries (vertical linkages) in the Province but separate from the District Facilitation Team
- The Project establishes management structures in the Province.
- There is use of the PIM for the development of infrastructure projects
- Funds go from IFAD to MEF to National Treasury to Provincial Treasury and then the C/S Account.

Table 26: Summary – Comparative Analysis of Similar Projects

	Rural Investment and Local Governance Project	Local Administration and Reform (LAAR) Project	Democratic and Decentralized Local Governance Project (DDLG)	Natural Resource Management and Livelihood Program (NRML)	The Rural Poverty Reduction Project (RPRP)
Dates	2003 – 2010	2005 – 2010	2006 – 2010	2003 – 2010	2007 – 2014
Main Theme or Objectives	toward budget support and work within government systems, to the extent practical and feasible, in order to be able to work on important reforms of these systems	Democratic accountability and responsiveness to citizens	The project focused improve dialogue partnership and accountability; create network of C/SC at the province and national level, support and contribute to local area development for poverty reduction.	The main objective is to reduce the vulnerability of poor rural people whose livelihoods are dependent on natural resources. The specific target is C/SC and communities within the area	The main objectives are poverty reduction through: Improved livelihoods through: Farmers and communities adopt improved and sustainable farming and agricultural land management systems; Improved services delivered to the poor in a participatory and demand-driven manner; and Increased capacity for policy analysis and pro-poor policy formulation for the agricultural sector and for mainstreaming gender within the sector.
Donor (s)	World Bank	USAID	European Commission and UNDP	DANIDA/DFID	IFAD
Geographical Coverage	23 Provinces	10 Provinces, 365 Communes	12 Provinces, 155 Districts	12 Provinces, 78 Districts, and 636 Communes	3 Provinces, 21 districts, 144 communes and 698 villages
Implementation Arrangements	Grants channelled through the Commune/Sangkat Fund	Through INGO, Pact Cambodia. Not through	Through the NCDD. Funds from project to MoI and then	Through NCDD. Funds from project to MoI and then to	Works with various Ministries at the National

	Rural Investment and Local Governance Project	Local Administration and Reform (LAAR) Project	Democratic and Decentralized Local Governance Project (DDLG)	Natural Resource Management and Livelihood Program (NRML)	The Rural Poverty Reduction Project (RPRP)
	mechanism of the RGC. Project managed by PSDD in NCDD. Reimbursement to the RGC by WB based on approved projects.	C/SF	to Provincial Treasury where Communes can access for inter-commune projects.	Provincial Treasury where Communes can access for inter-commune projects.	level but executed through MAFF. Set up separate management teams and structures in the Province and District. Funds go from IFAD to MEF to National Treasury to Provincial Treasury and then the Commune Account.
Main Activities	Funding for infrastructure. Studies undertaken to assess the process and research key issues that impact on the project implementation and process.	Training of C/SC Members and Community Monitoring Committees Provision of grants to C/SC but for non-infrastructure grants	1). Developing community voice and interaction with C/SCs 2). Support to National League of Commune/Sangkats 3). ICC – Inter-Commune Cooperation Program 4). Policy Advice at NCDD	Provision of funds to Province, District and Communes for projects in the NRM sector. Provision of technical support through Provincial LAU to the Districts and Communes.	Two components: Livelihoods Improvement – improving the food security of the poor and promoting agricultural diversification and market oriented agricultural development. Support for Decentralization and Deconcentration in Agriculture – Support for Provincial Agriculture Investment Program; Policy Analysis; support for gender mainstreaming in agriculture; and learning communities.
Grants/Funds	Average \$6,000 per Commune	Average of \$3,557 per Commune	Each District under the project receives \$30,000 for intra-Commune projects. The sub-project value ranges from \$3,000 to \$5,000	Communes \$6-8,000, Districts \$30,000 and Provinces \$40,000	Approximately \$70,000 per Commune

	Rural Investment and Local Governance Project	Local Administration and Reform (LAAR) Project	Democratic and Decentralized Local Governance Project (DDLG)	Natural Resource Management and Livelihood Program (NRML)	The Rural Poverty Reduction Project (RPRP)
Project Types	Infrastructure projects (mainly roads and irrigation structures)	LAAR funds were not available to support infrastructure or livelihood activities but were for Commune priorities (social and service provision type projects)	Non-infrastructure projects. Focus on service and social type projects.	Non-infrastructure projects. Focus on service and social type projects.	Non-infrastructure sub-projects

Implications and impacts of the operation of other Projects²³

- There can be a lack of coordination between other donor and NGO projects with the C/SCs and with each other at the C/S level.
- Parallel management structures set up by other projects in the Province and sometimes in the District. Districts are just informed of project progress and are not actively involved or have any level of responsibility in the projects.
- Normally other projects and NGOs integrate with government activities through the District Integration workshop but not to the same extent at the Provincial level. Often NGOs work with sector or line departments.
- A number of projects and NGOs don't utilise government systems and structures and usually by-pass them (especially in relation to financial mechanisms)

Impact of RILGP Approach vis-à-vis Other Approaches to Project Delivery

RILGP purposely utilises and attempts to strengthen government systems and processes compared to other D&D projects operating with similar objectives. These other projects mainly establish parallel management structures for the delivery of their respective projects at either the Provincial, District or C/S levels. At the National level they operate in a similar manner to RILGP (working within the relevant line Ministry), except for LAAR which does not. Basically there are two main approaches to project delivery: the RILGP approach of building capacity of existing government systems in the delivery of the project (attempting to minimise any externally created systems); and the approach of delivering the project through project generated systems (where the externally created project, and hence parallel systems, vary according to the specific project).

The approach of other projects will be effective in getting the job done and getting results quickly, in relation to poverty reduction as long as the project is operational. There is a risk however to the sustainability of these results and impacts once these management systems are not funded/supported when the projects cease, unless self-funding mechanisms are adopted or there is some other incentive for these management and implementation systems to continue.

Therefore in relation to the RILGP approach (compared to other project approaches) it is concluded that:

- RILGP has been effective in contributing to the building of capacity at the sub-national levels in planning and implementation;
- RILGP supports existing government systems and processes rather than creating parallel systems of management;
- RILGP is a more sustainable approach to investing in long term capacity development at the local level;
- RILGP may also be a relatively more expensive way of delivering short term results in local capacity building and the delivery of government services and public goods (when compared to other projects) but there is potential for longer

²³ Some of the projects interviewed at National level did not demonstrate these qualities or did so in varying degrees. There were other projects identified at the C/S level (including the list of projects that were interviewed at the National level) that generated these comments and issues when the MTR Team had discussions with C/Ss.

term gains (in terms of sustainability and improved performance in service delivery).

- There may not be an optimal utilisation of resources in management and implementation at the local level in the short term (C/S Councillors will need time to learn and improve their performance. The alternative is to have project structures undertaking the work – such as the approach with other projects – which will produce short term gains but will not have a long term sustainable impact), but the long terms gains should be the focus and hence continued support should be given by the RGC and donors to continue the strengthening of the D&D process.

6 Recommendations

6.1 Participation at C/S Level

- (i) **Needs Assessment Meetings:** The quality of the needs assessment meeting can be improved to promote greater participation and to build people's confidence to publicly discuss issues and needs. The duration of the meeting should be at least half a day and the PBC should not show a list of the needs developed by the PBC from their Step 1 meeting to beneficiaries. Alternatively they should try to organize the meeting to have small group discussions using brainstorming technique to allow people to express and discuss their needs. The results of the group discussions should be presented to all participants and then prioritised by all participants. The prioritised needs from all villages can then be aggregated into a CDP and the main aspects of the CDP should be placed on notice boards for people to see.
- (ii) **Facilitation Skills:** Additional cascade training should be organized for DFT and PFT and later on for the PBC members on facilitating skills and brainstorming technique by experienced individuals and/or institutions.
- (iii) **C/S core group:** It is crucial to establish a core group at the C/S level who receive adequate training to work with the C/SC and this group is preferably people who are already in the PBC. The idea is to have a group of people who are committed to work in the C/S but not necessarily elected officials subject to changes at election time.
- (iv) **Planning Process Audits:** Regular planning process audits (such as that proposed for early 2010) are important to cross-check the process and ensure that the CDPs reflect the true prioritised needs of the people and specifically identify whether the needs of women, poor households, Highland People, etc are included and how they are included.
- (v) **Information on Sub-Projects:** To promote people's participation in the implementation of sub-projects, the contractor should present the details of the sub-project to the people at a meeting on the opening day of construction. At this meeting the role of the contractor, TSO, C/SC, PMC and the people should be discussed. The people should also be allowed and encouraged to ask questions. This would also be the time for the TSO and PMC to brief the people on the key indicators that they should be monitoring during construction.

6.2 M&E

- (i) **Outcomes Framework:** Review the current Outcomes Framework (Logframe) and ensure that the current indicators are still relevant and that data is readily available (the MTR Team could not find data for some of the current indicators). The data in this framework should have a time series over the life of the project to identify trends or in the case of indicators such as the KABP indicators, there should be a baseline and follow-up studies that give data for points in time throughout the life of the project. This outcomes framework must become a key aspect in managing RILGP.
- (ii) **M&E Plan:** An M&E plan must be developed for any new phase of IDA support (e.g. RILGP 2). This plan must be based on a Logframe and details the collection

and analysis of M&E data (how, who, when, so what). See Annex 6 for a suggested format.

- (iii) **PID Management Reports:** Develop standard management reports that can be generated from the PID that can be used for management purposes (e.g. time taken for technical clearance, time taken for project implementation, local contributions, etc). Reports that provide a time series of data for the indicators in the Outcomes Framework should also be prepared on a regular basis.
- (iv) **Linked databases & MIS:** Linkage of the PID and CDB (and possibly other sources of data such as the new M&E system to be introduced in 2010 involving the 18 forms) to form an MIS that supports management with useful information that allows it to identify and respond to issues and identify potential opportunities for improvement.
- (v) **Use of Studies:** A large amount of information and lessons learned have been gained from the RILGP studies. However, it is not apparent how the results of these studies are inculcated into the project and how management uses this information and what are the subsequent actions for project operations. It appears that individual advisers are required to assimilate the results but it is not clear what follow up actions and strategies are developed as a consequence. Therefore, RILGP/NCDD staff and advisers should undertake a comprehensive review of all studies and surveys and articulate lessons learned and the consequences for RILGP and RILGP 2 and what are the implications for future project design and approach. Actual tasks should be placed in an Action Plan and tasks assigned to individual staff/advisers.

6.3 Safeguards

- (i) **Awareness:** PFTs and DFTs are aware of the safeguards but perhaps do not seem to understand their significance and what they are trying to achieve. Often, the checklists are completed merely because it is a requirement and they are not done in a participatory and learning manner. Safeguards have been incorporated into the C/SF operation by being included in the PIM, but they now need to become institutionalised and become part of the culture of the C/SF and the people who implement all aspects of the C/SF. This means that all senior staff must support the safeguards approach in all discussions and when visiting provinces, districts and C/Ss. Supervisors must monitor the use and application of the safeguards seriously so that staff and C/SCs know that it is important and must be done properly.
- (ii) **Land Use Rights:** C/SCs, DFTs and PFTs should make sure that beneficiaries are aware of their land rights for compensation purposes. The information should also be shared with NGOs so that they could pass it on to the villagers. The experience from the NGO Buddhism for Development (BfD) could be replicated in this regard.
- (iii) **Road demarcation:** TSOs and PMCs should demarcate the road projects with pegs or stakes. This will allow villagers to see the implications for private land usage and to resolve issues before construction starts.
- (iv) **Highland People:** As the safeguard for Highland People is relatively new and since Highland People are not found in every province, it is important to provide training and support to those provinces for which the safeguard is relevant. It is also important that people understand why there is such a safeguard and what it is meant to achieve, rather than just one more item to complete before getting the funds.

6.4 Technical Support

- (i) **Continuous improvement:** A program with 25 engineers should be able to come up with options on how to improve construction supervision. National Infrastructure Advisors should carry out more monitoring visits to the provinces and formulate ideas and suggestions for improvement.
- (ii) **Beneficiary Monitoring:** Ensure that the PMC and the project beneficiaries are more involved in construction monitoring in accordance with the PIM guidelines. Therefore, village stakeholder groups should be identified at the outset of the sub-project and they can participate in the project progress and quality monitoring. This is another means for increasing beneficiary participation and empowering people to be responsible for what happens in their C/S. PMC and the people should be appropriately supported in this by the TSO and monitored by the PIAs;
- (iii) **Private sector support:** Contracting of consulting companies to provide technical support services is preferred over the direct hire of engineering services by C/S or District Councils. Young graduate engineers and/or technicians in the salary range of US\$ 250 – 300 per month need support and backstopping when working their first jobs. They should have the right skills and motivation to be able to work at District level and this cannot always be judged by the C/S Councils. If backstopping is required, which will often be the case in the beginning, PIAs will not be able to do this on a continued basis to supervisors in his/her province. Replacements and transfers of supervisors, if needed, can be more easily arranged by a company than a C/S Council. A company could provide an internal training for new recruits and only send them out if sufficiently prepared for the job. Once C/S Councils are satisfied with the performance of the engineer/technician, payment and control can be fully taken over by the C/S Council.

6.5 C/SF Sub-Projects

- (i) **Roads and Tracks:** Poor access to and within C/Ss is often a first priority need. Roads and tracks are built to an acceptable standard but tracks of three metres wide should be re-introduced in the Technical Manual as an option for intra-village tracks.
- (ii) **Designs:** The quality of designs of irrigation projects is very poor. The engineering skills to carry out proper designs are often not available at provincial level and C/SF funds are insufficient to do anything meaningful in most irrigation systems. The PDWRAMs in most provinces seem to come to the same conclusions and mostly refuse to clear project proposals. It is recommended to discontinue funding irrigation sub-projects under the C/SF until there is sufficient capacity to design and construct these schemes correctly.
- (iii) **Bidding Process:** The bidding process should be based on accurate and acceptable Engineer Estimates based on unit prices correctly established as described in the PIM. Unit prices in some provinces need to be corrected. In some provinces (e.g. Siem Reap and Kandal) earth work rates in C/Ss close to urban centres are different from more remote C/Ss. It is recommended that this is corrected in the approved unit rates in these provinces.
- (iv) **Technical Manual and Project Generator:** The Provinces are not yet fully prepared for the introduction of the Technical Manual and the Project Generator. Introduction within this year in all provinces will result in substantial delays in the

preparation of sub-project designs to be implemented in 2010. It is recommended to introduce it in three provinces, provide sufficient support from the national level and adjust if necessary before introduction on a national scale.

6.6 Governance

- (i) **Accountability Box:** The PFTs and DFTs should put effort into ensuring that villagers and village chiefs understand the function of the Accountability Box. Again as facilitators, both PFTs and DFTs should make sure that beneficiaries understand their rights to complain to either their C/SC or contractors and also that the funds used to implement sub-projects in their village(s) belong to them (and not to the government or WB). There should also be a mechanism through which the PAWG reports back to the villagers on the outcome of complaints and does not just impose discipline measures or sanctions without explanation.
- (ii) **Civic Education/Empowerment:** The C/SF system is an excellent means to build good governance throughout the country. However, there seems to be a tendency to just complete the processes and not build capacity and understanding within C/SCs and the people. To maximize benefits from the system, civic education and empowering processes should be an active part of any sub-project implementation. To do this, the DFTs and PFTs would need to include community development skills in their skill set. If each sub-project could be used as an opportunity for empowering people then this could enhance the effectiveness and impact of RILGP.
- (iii) **Recentralising:** NCDD/RILGP should resist the urge to recentralize functions to avoid mismanagement by C/S and district councils. There is a need to have functions as close to the people as possible and to support the councils to do the work correctly and to have them accountable to the people. Examples include the sub-project bidding process conducted at district level and the keys for accountability boxes being kept by the DFTs.
- (iv) **Sharing experience:** There is a need to enhance the existing government/development partner cooperation mechanism to promote the sharing of experiences and lessons learned from projects and development work throughout the country. One mechanism could be to build a project/development partner/government network on topics of decentralization and governance, livelihoods, etc. with six monthly workshops for interested parties and email networks to disseminate reports and findings.
- (v) **Economies of Scale:** The PIM and the C/SF system are capable of handling significantly greater levels of funds than are currently being made available to C/Ss. The proposed average allocation of approximately US\$ 16,000 per C/S for 2010 is an improvement on previous years but still represents a relatively small amount to construct the much needed infrastructure in most C/Ss. In order to build the skills of C/SCs and the various committees, these representatives need experience in designing and implementing a wider range of projects (rather than just a short village road). The proposed district component of RILGP would go part way to constructing infrastructure in a more efficient cost effective (larger) scale that would meet the infrastructure needs of people and the C/Ss could then use their C/SFs for service delivery projects and give people more exposure to democratic development (incorporating good governance).

6.7 Sustainability

(i) The C/SF process is essential in spearheading democratic development in Cambodia and the issue is to determine the most cost effective way to support it, given the possible exit of PSDD. The options could be:

- Option 1. Continue with PSDD or a PSDD equivalent into the future for the next 10 or more years. The sustainability solution relies with building a competent C/SC and committees.
- Option 2. Combine a PSDD approach (with an exit strategy) with a competency based quality capacity building program for provincial and district government staff and C/SC members and committee members. Sustainability here lies with a competent and committed government service and/or a competent C/SC and committee members.
- Option 3. Combine a PSDD approach (with exit strategy) and private sector involvement to take a greater role in supporting C/Ss to do the work. Sustainability here lies with a competent competitive private sector (contractors and CSOs).

These options (and possibly others) should be researched and costed and laid out in a decision matrix for comparison.

6.8 Additional Studies

The MTR Team found that there was a lack of analysis of the results of commissioned studies and limited application of the findings of the studies into the project or into the C/SF operation. For example, the MTR of RILGP conducted in 2006 made a number of recommendations that this current MTR is also making especially in regard to the M&E system. Therefore, the MTR Team would recommend that all recent and new studies are analysed and then discussed within the NCDSS and that findings are reviewed and placed into an action plan for implementation with staff/advisers assigned responsibility for each task.

A related issue is that all of the studies are done by outsiders who do the field work and talk to people and obtain an understanding of the situation and then prepare a report and depart. It would be more advantageous for the studies to be done by staff/advisers associated with C/SF/RILGP so that the lessons learned stay with the program. Specialist studies could be done by specialist advisers, accompanied by a NCDSS/RILGP staff/adviser.

Given the above, the Team was reluctant to suggest more studies but feels that the following would be a useful addition to improving C/SF and RILGP:

- Developing an RILGP M&E plan and framework and establishing a database to store a time series of data against the indicators.
- Competency based training program based on a training needs analysis and methods to check the knowledge and application of trainees and the effectiveness of trainers.
- Options for the exit strategy of technical assistance from national and provincial positions.

Limitations

URS Australia Pty Ltd (URS) has prepared this report in accordance with the usual care and thoroughness of the consulting profession for the use of URS and RILGP and only those third parties who have been authorised in writing by URS to rely on the report. It is based on generally accepted practices and standards at the time it was prepared. No other warranty, expressed or implied, is made as to the professional advice included in this report. It is prepared in accordance with the scope of work and for the purpose outlined in the Proposal.

The methodology adopted and sources of information used by URS are outlined in this report. URS has made no independent verification of this information beyond the agreed scope of works and URS assumes no responsibility for any inaccuracies or omissions. No indications were found during our investigations that information contained in this report as provided to URS was false.

This report was prepared between November 2009 and January 2010 and is based on the conditions encountered and information reviewed at the time of preparation. URS disclaims responsibility for any changes that may have occurred after this time.

This report should be read in full. No responsibility is accepted for use of any part of this report in any other context or for any other purpose or by third parties. This report does not purport to give legal advice. Legal advice can only be given by qualified legal practitioners.

Annex 1: MTR Terms of Reference

Rural Investment and Local Governance Project (Additional Financing)

Mid Term Review - Terms of Reference

Project Number

Project Title RILGP (Additional Financing)

Consultancy Mid Term Review

Location Phnom Penh and Provinces

Duration 2 months

1. Background

The Rural Investment and Local Governance Project (RILGP) was originally financed by an International Development Association (IDA) Credit No. 3727-KH of 16,100,000 SDR (Special Drawing Rights) which at the time of approval by the IDA Board was equivalent to roughly US \$22 million) to the Kingdom of Cambodia. The Development Credit Agreement was signed on 18 June 2003 and the Credit became effective on 16 September 2003. The principal activity of the project (Component 1) supports the Royal Government of Cambodia (RGC)'s Commune/Sangkat Fund (C/S Fund) by financing eligible sub-projects in up to 15 provinces. Component 2 supports related capital expenditures for provincial office buildings, office furnishing, equipment, vehicles and motorcycles, and finances workshops and consultant services for studies related to C/S Fund implementation and to the wider field of decentralization and deconcentration reforms. The project was originally planned for four years, 2003-2006, with a closing date of 30 June 2007.

From inception up to the end of 2006, RILGP was implemented under the Seila Program, with the Seila Task Force and its Secretariat taking responsibility for execution of the project. The mandate of Seila Task Force ended on 31 December 2006 and in January 2007 responsibilities for its residual activities including for the management of the C/S Fund and RILGP (the closing date of which was extended for six months to 31 December 2007) were transferred to the National Committee for Management of Decentralization and Deconcentration Reform (NCDD). NCDD also assumed the responsibilities for the RGC's policy development and implementation regarding decentralization and deconcentration reform which were transferred from the National Committee to Support Commune/Sangkat (NCSC) and from the Inter-Ministerial Committee to Draft the Organic Law to NCDD. The Department of General Administration of the Ministry of Interior serves as the Secretariat of the NCDD and an NCDD Program Support Team (NCDD/PST) was established to manage the operational implementation of the C/S Fund and RILGP, among others.

Building upon the successes of the original RILGP, in July 2007 the project was extended through an IDA Additional Financing Grant No. 3260-KH of 23,800,000 SDR (US \$ 36,250,000) to the Kingdom of Cambodia. The Grant Agreement was signed on 14 August 2007 and the Grant became Effective on 10 October 2007. The closing date of the Credit was extended for three years to 31 December 2010 to correspond with the closing date of the Grant. The additional Grant helps finance the scaled-up activities of Component 1 - Local Planning and Investment, which was expanded from the 14 provinces covered in 2007 to 23 provinces from 2008 onward.

It also provides continuing financing of the Component 2 - Project Support and Project Management for 2007-2010. As part of the Additional Financing, no major changes were made to the RILGP design or implementation arrangements of the project although the outcome targets and indicators were adjusted to reflect the increased geographic scope and scale and enhanced governance outcomes of the additional support to the C/S Fund and the policy development support.

The development objective of the Rural Investment and Local Governance Project (RILGP) is: *“to contribute to rural development and poverty reduction through supporting provision of priority public goods and services at the commune level, as well as to promote good local*

governance through support of decentralized and deconcentrated participatory local governance systems at the commune and provincial levels”.

The Project has the following two components:

Component 1: Local Planning and Investment Component supports, through partial reimbursement of qualifying expenditures of the Commune/Sangkat Fund (C/SF): (i) the decentralized planning process at the commune level, including development of five-year Commune Development Plans (CDP), annual commune investment programs (CIP) and annual commune budgets; and (ii) grants for commune-level investments in infrastructure and public goods identified and prioritized through the participatory local planning process.

Component 2: Policy Support and Project Management Component supports the capacity building, technical assistance, buildings and equipment, and operating costs at national, provincial and commune levels for implementing Component 1. More specifically, this component finances the provision to national and provincial institutions of works, goods (such as vehicles, and office, communications and other equipment) and consulting services necessary to implement their respective project responsibilities.

At the provincial level, the IDA Credit and Grant are utilized primarily to procure goods and works for PRDC ExCom units and Provincial Treasury to strengthen their capacity to support C/S Councils in development planning and implementation of sub-projects. At the national level, the IDA Credit and Grant finance office equipment and vehicles, as well as funding workshops focused on reviews of the program systems and proposed updates. In addition, consulting services are financed for the purposes of conducting strategic studies related to decentralization and deconcentration reforms, socio-economic follow up studies, mid-term and final project evaluations and annual independent audits.

The policy support and project management activities mentioned above are, for the most part, co-financed in parallel by the RGC and the UNDP/SIDA/DfID-financed Program to Support Decentralization and Deconcentration which is the main source of technical assistance and capacity building support for the NCDD.

Planned Expenditure financed from IDA Credit and Grant	RILGP Credit 2003-2010 US\$ million	RILGP Grant 2007-2010 US\$ million
Component 1 - Local Planning and Investment	\$19.0	\$28.45
Component 2 - Policy Support and Policy Management	\$3.0	\$7.80
Totals	\$22.0	\$36.25

Source: World Bank Client Connection; December 2008

Over the four-year duration of the original RILGP from 2003 to 2006, proceeds from the IDA Credit were allocated to fund eligible activities in up to 1,110 communes in fifteen provinces which were to be phased in over the life of the project. This started in 2003 with 698 communes in the 7 provinces of Banteay Meanchey, Battambang, Kampong Cham, Prey Veng, Pursat, Siem Reap, Takeo and was expanded in 2004 to include a total of 980 communes by adding the 4 provinces of Kampong Chhnang, Kampong Speu, Kratie and Svay Rieng. In 2005 and 2006, this was increased to 1,061 communes by adding the provinces of Otdar Meanchey, Pailin, and Preah Vihear. With the Additional Financing grant, the RILGP was extended to 9 additional Provinces as shown above from 2008. This brings the total to 1,545 C/Ss in 23 Provinces being covered, (i.e. all except Phnom Penh), as shown in the table below.

Table 1 Provinces served by RILGP

	Province	# Communes
1	Banteay Meanchey	64

2	Battambang	96
3	Kampong Cham	173
4	Kampong Chhnang	69
5	Kampong Speu	87
6	Kratie	46
7	Preah Vihear	49
8	Prey Veng	116
9	Pursat	49
10	Siem Reap	100
11	Svay Rieng	80
12	Takeo	100
13	Otdar Meanchey	24
14	Krong Pailin	8
Total RILGP Communes 2007		1,061
15	Kampong Thom	81
16	Kampot	92
17	Kandal	147
18	Kep	5
19	Koh Kong	33
20	Mondulkiri	21
21	Ratanakiri	49
22	Sihanoukville	22
23	Stung Treng	34
Total RILGP Communes 2008-2010		1,545

A Mid Term Review (MTR) was conducted in 2006 for the part under the Development Credit Agreement (Strategic Consulting Group, MTR IDA No. 3747 KH, July 2006). In view of the timing of the activities under the IDA Additional Financing Grant (October 2007 – December 2010), the time has come for a Mid Term Review covering both the Credit and the Grant for the period since 2007.

2. Purpose and Scope of the MTR

The purpose of the MTR is to assess the implementation to date of the RILGP at national, provincial district and commune levels, as set out in:

- The Project Appraisal Document of March 2003
- Project paper on Additional Financing Grant of July 2007
- Annex to the Project Paper (Technical Issues)
- Financing Agreement (August 2007)
- Annual Work Plans and Budgets for 2007, 2008 and 2009.

The MTR should determine and summarize outputs, outcomes, results and, to the extent possible and relevant, impact. It should extract lessons from this and provide solid recommendations for any adjustments in project design, implementation arrangements or other aspects, that may be required for the remainder of the implementation period. It should also identify key issues for RGC, IDA and/or others to take up and, separately, for the formulation of possible future IDA support for the sector (RILGP 2 or otherwise).

More specifically, the MTR should assess progress against objectives, targets and indicators as stated in the various formal documents (some suggested indicators in Attachment A). The MTR should also review the appropriateness of the RILGP-AF support to the ongoing decentralization process from 2007 onwards and give full consideration to the relevance, effectiveness, efficiency, technical quality and sustainability of both major Project Components. It will identify any information reflecting progress in terms of results and outputs and will review this against the design of the project.

The MTR shall also review how observations and recommendations given in the Aide Memories of the various Supervision Missions have been taken into account by the Grant holder. Implementation and results shall be considered from the point of view of decentralization and good governance, as understood by the RGC and IDA. The MTR will also consider results and lessons on mainstreaming implementation arrangements within the RGC systems (as opposed to unique and temporary project arrangements) and consider the possible trade-offs between short- and long-term results, sustainability and speed, capacity development and efficiency.

The MTR will cover the entire project and all of its components, although field visits will be limited to a representative number of provinces, districts and communes.

The MTR will review and use Progress Reports, Aides Memoire of Supervision Missions, Studies, Manuals, AWPBs and other document produced in the context of RILGP. Studies include:

- Socio-Economic Impact Evaluation of C/S Fund Roads (Final Draft, November 2008)
- Assessment of Safeguards Mechanisms and Capacity Building for EIA (Credit)
- C/S Budget Execution Study
- Financial Audit of 2007 Accounts
- Study of Technical Assistance Arrangements for the C/S Fund
- Support to Preparation of the National Program for Sub-National Democratic development
- Revision of Technical Manual and Templates Program for C/S Fund (to be completed by March 2009)
- Technical Audit by CADTIS (2005)
- Technical Audit planned for 2009
- Financial Audit of 2008 Accounts
- M&E Base-lining Study (planned for 2009)
- Process Audit on Planning (planned for Mid 2009)

The MTR will assess the effectiveness of institutional arrangements for RILGP execution, in particular arrangements with the NCDD and MEF, cooperation with the PSDD project and with other Development Partners.

3. Specific Tasks of the MTR

The MTR will review, assess, report and recommend with regard to:

1. Relevance of project objectives in the current conditions of Cambodia;
2. Impact of RILGP supported interventions on socio-economic, institutional and governance dimensions;
3. Effectiveness of project components and outputs;
4. Efficiency of delivery of outputs and of implementation arrangements;
5. Impacts thus far and likely long-term sustainability of impacts;
6. Appropriateness and adequacy of project design, implementation arrangements and actual processes for:

- a) Working with RGC institutions and using RGC procedures (as opposed to stand-alone project specific arrangements);
 - b) Channelling funds for reimbursement of eligible expenditure, pre-financed by Provincial Treasuries through the C/S Fund (as opposed to advancing funds through a project account);
 - c) Direct support to the C/S Fund (as opposed to earmarked funds);
 - d) Ensuring accountability and transparency for the utilization of funds, contracting and procurement and for handling complaints about these.
7. Adequacy of arrangements and actual processes for:
- a) Institutional arrangements at all levels for implementation;
 - b) Cooperation with other development partners to ensure adequate support and synergy where appropriate;
 - c) Operational procedures including planning, budgeting, reporting, technical supervision, backstopping;
 - d) Procurement of inputs through NCDD and the International Procurement Agency;
 - e) Financial management, auditing and reporting;
 - f) Arrangements for monitoring and evaluation;
 - g) Arrangements for data collection, processing, sharing and utilization;
 - h) Technical, administrative and operational guidance and support for C/S Fund projects;
 - i) Technical Design and Construction Quality and Sustainability of Sub-Projects;
 - j) Provisions for ensuring and enhancing accountability for C/S Fund utilization, including National and Provincial Accountability Working Groups;
 - k) Provisions for taking into account safeguards with regard to environment. Land acquisition and involvement of ethnic minorities;
 - l) Arrangements for participation by villagers, commune councillors and chiefs;
 - m) Inter-ministerial cooperation, especially between MoI, MEF, NCDD; but also with Ministry of Planning and Ministry of Rural Development
 - n) Formulation, management and utilization of studies;
 - o) Choice, mobilization and performance of technical assistance financed by RILGP-AF, including:
 - (i) International Fiscal Decentralization Advisor
 - (ii) National Safeguard Advisor
 - (iii) International and national Infrastructure Advisors
 - (iv) National Irrigation Advisor
 - (v) National Regional Safeguard Advisors
 - (vi) National RILGP Project coordinator
 - (vii) NGO Support for Land Users' Rights awareness
 - (viii) NGO support with regard to Safeguards Monitoring.

The MTR shall also review and recommend with regard to:

8. Issues to be taken up in the context of possible preparation for RILGP 2;
9. Issues to be considered in the context of further steps in Decentralization and Reform in general and in the formulation of, and preparation for, the National Plan for Sub-National Democratic Development in particular;
10. Scope and method of the envisaged base-line survey;
11. Studies to be conducted during the remainder of RILGP;
12. The relevance and application thus far of the Good Governance Framework;
13. Experience with Supervision Missions and follow up of comments and recommendations to Aides Memoire;
14. Demonstrated capacities of NCDD, MEF and MoI to supervise, manage and execute RILGP components.

4. Composition of the MTR Team

The MTR team will consist of four experts with the following expertise:

1. Team Leader/ Governance specialist (international)

Key Tasks

- This expert shall be responsible for the overall approach and organization of the work;
- He/she will be technically responsible for the work related to project design, (aid) management issues, institutional aspects, decentralization, governance and related issues;
- He/she will also lead the work on assessment of results and impact and the review of relevance and sustainability;
- He/she will lead the team and be responsible for drafting and finalization of the reports;

Requirements:

- This expert should have a higher degree in a relevant discipline and at least ten years senior level professional experience in participatory development, decentralization, governance, local economic development, or related fields in developing countries, preferably in Cambodia and/or the wider Mekong region;
- Demonstrated success in leading complex evaluations and in producing timely, incisive and relevant reports is essential;
- Should be familiar with World Bank procedures and policies;
- This international expert will spend 35 working days on this assignment, of which 28 or more working days will be in Cambodia.

2. Rural Engineer (international)

Key Tasks

- The expert will review the work done in rural infrastructure, procurement, contracting and in all technical fields (including works on buildings, roadways, irrigation and rural transportation);
- He/she will review standards, procurement procedures, unit costs, the revised PIM and related tools;
- He/she will also review the use of ICT tools in RILGP, in particular the Project Information Database, templates and project generator;
- The expert will extract, summarize and present data on physical, financial and contractual aspects from the relevant databases;
- The expert will conduct or arrange for review of a sample of C/S Fund projects;

Requirements:

- This expert will have a higher degree in civil engineering or related discipline and have minimally ten years professional experience in rural infrastructure development in developing countries;
- Experience with small-scale rural infrastructure required;
- Experience with World Bank procedures desirable;
- Experience in Cambodia highly desirable, in Mekong region essential;
- Sound knowledge on the use of ICT tools (including databases) required;
- This international expert will spend 28 working days in Cambodia.

3. Social Development Expert (preferably national)

Key Tasks

- The expert will review issues related to participation, accountability, commune/Sangkat councils and the interaction between communes/Sangkats and RGC institutions;
- The expert will also review gender aspects (to the extent relevant), social safeguards, land issues and environmental safeguards;
- The expert will review experience with NGO inputs in the context of RILGP.;
- This expert will spend 32 working days in Cambodia, where he/she lives.

Requirements:

- This expert will have a degree in sociology, public administration, community development or related discipline.
- He/she will have at least ten years of professional experience in development work in Cambodia, including substantial experience in working within or with RGC institutions.
- Experience with rapid collection of data on rural development projects required;
- Proven capability to extract meaningful information from focus group discussions, interviews and other data collection in rural areas;
- Familiar with key aspects of C/SCs and C/S Fund;
- Fluent in Khmer, capable to read and write in good level English.

4. Socio-economic expert (international)

Key Tasks

- This expert will review data from RILGP and, where appropriate, similar interventions in Cambodia, from a poverty reduction point of view;
- He/she will review experience with private sector inputs in the context of RILGP and will consider possibilities for new inputs;
- He/she will review direct and indirect costs of RILGP support in proportion to immediate outputs and intermediate results and compare these with similar interventions in the country and/or region;
- He/she will review the work done on assessing benefits and costs;
- The expert will compare costs and benefits with similar projects in the region;

Requirements

- This expert should have a higher degree in economics, finance, development management or related discipline.
- He/she will have at least ten years senior level professional experience in participatory development, rural development, rural economics or related fields in developing countries.
- He/she should be familiar with poverty reduction strategies, local economic development and ways to determine economic benefits of (small) projects.
- This expert will spend 28 working days in Cambodia.

5. Duration and time table

The MTR will be carried out in a six weeks period between July and August 2009. The various experts will spend up to 28 working days in Cambodia and will conclude their work with a Draft Final report and a Workshop to present their findings and recommendations. The TL and Social Development Expert will spend some additional working days in their country of residence to process comments on the Draft Final Report and to produce the Final Report.

6. Outputs

The Team, led by the TL, will produce an **Inception Report (IR)** within eight working days of the start of the assignment. This will summarize the Consultant's understanding of the TOR and propose any elaborations or modifications of the approach to, methods and tools that may be required. It will present a detailed schedule of the work to be undertaken, including field visits, workshops, focus groups, etc. It will also outline the tools to be used, including questionnaires, checklists, etc. The IR will identify all stakeholders to be considered, will present a draft outline of the Draft Final Report and will present requirements for information, meetings or other inputs from the side of NCDD, PSDD, IDA and others. The IR will be submitted to NCDD and the relevant Advisors for approval, comments and guidance. A formal response will be provided to the Consultant within five working days of receipt and this will clear the way for detailed data collection, field visits and other major activities.

A **Draft Final Report** will be produced by the Team at the end of the presence of the Team in country and will address all issues of this TOR, highlighting key findings and

recommendations. The **Draft Final Report** will be produced in English and presented to NCDD, relevant advisers and WB, latest four days prior to dissolving the Team before the departure of the TL.

A **Workshop** will be conducted by the Team approximately one week before the end of the Team's presence in the country. The participants at this workshop will be identified and invited in consultation with NCDD, relevant Advisors and IDA. The workshop's agenda will be approved by the same parties. The main purpose of the workshop will be to share (preliminary) findings, conclusions and recommendations on key issues and to seek feedback on these.

A **Final Report**: This will be produced by the TL and, where appropriate, the National Expert, after having received detailed comments from NCDD, relevant Advisors and IDA. This feedback will be issued within three weeks after submission of the Draft Final report and will be consolidated by the RILGP Project Manager or by someone mandated by the Project Manager.

The **Final Report** will be produced and delivered within two weeks of receipt of the consolidated comments. Once the English version of the Final Report is approved by NCDD and the relevant Advisors, the Report will be finalized and submitted to NCDD in ten hard copies and in soft copy. The **Executive Summary** and selected parts will be translated into Khmer through NCDD and ten copies of this translated version will be submitted to NCDD. Both language reports will carry an Executive Summary of five pages, which will be capable of being read and used separately from the reports. A concise **abstract** of the English language Report will be prepared by the Team according to NCDD guidelines at that time. Collected data, (questionnaires, calculations, etc.), in both soft and hard copies will be handed over to NCDD at the same time as the Final Report is delivered.

7. Logistics and organization

The team will make its own arrangements for transport, for which a budget provision is to be made by the Consultant.

The Consultant will make its own arrangements for laptops/PCs, printer(s), mobile phones and any other tools needed.

NCDD will provide access to files, reports, etc., and databases as relevant to the work.

Members of the team will visit minimally four provinces and, within these, minimally eight districts and sixteen Communes. NCDD will assist with arrangements for their meetings with C/SCs, villagers, District Facilitation Team, Provincial Facilitation team, Technical Support Unit, ExCom and key provincial staff.

8. Selection of the Consultant

The budget for this study will cover all costs related to the inputs of the above experts, (and any support staff), and all other costs (including international and local transport, allowances, local and international communication, translation of materials and interpretation, workshop, data collection and processing, reporting).

Selection of the consultant will be on the basis of technical quality, following the Quality and Cost Based Selection (QCBS) procedures, as set out by IDA.

Annex 2: Progress against the RILGP Outcomes Framework

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Performance to date
Project Development Objective:	Outcome/Impact Indicators:	Information Source:	
Contributing to rural development and poverty reduction efforts through:			
Provision of priority infrastructure and public goods at the commune level; and	ERR of the sample of sub-projects > 12%	Socio-economic surveys (baseline and follow-up) Mid-term Review (MTR) and End-of Project (EOP) Evaluation	Socio-economic survey of C/S funds road projects conducted. Concluded that the results of road projects under RILGP were too dissipated to measure. Return on Investment studies indicate acceptable rates of return.
Strengthening of decentralized participatory local governance systems	Knowledge, attitudes, belief and practices (KABP) regarding good local governance improved by EOP	KABP baseline and follow-up surveys	KABP study conducted in 2004 indicated that there were increases in the general understanding and awareness of KABP. Accountability, Perception and Responsiveness studies completed in 2008 indicate areas for further research since results not conclusive.
	Improved Procurement, Financial Management (FM) and Accounting practices adopted and consistently applied for Commune/ Sangkat Fund (C/SF) by EOP	Bank Supervision Annual Procurement Post Reviews and SOE Audits MTR and EOP Evaluation	The PIM provides a good tool for improving procurement and financial management. This is applied consistently throughout Communes that are working with RILGP.
	Enhanced reporting, disclosure and complaint handling procedures adopted at commune level by EOP	MTR and EOP Evaluation	The Accountability boxes for complaints of C/SC performance are not being utilised as expected.
Intermediate Outcomes from Each Component:	Intermediate Indicators:	Information Source:	

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Performance to date
Component 1. Local Planning and Investment			
1.1 Commune Development Plan (CDP) and Commune Investment Plan (CIP) prepared reflecting local priorities through participatory planning process.	Planning guidelines reflects inclusive and participatory process by end of 2008, which includes: (i) gender balance village representation in the Planning-Budgeting Committee (PBC); (ii) effective community participation including women and ethnic minorities in planning process; and (iii) wide information dissemination about planning process and results	Report of C/S Planning Guidelines review Revised C/S Planning and Budgeting Guidelines	Process Audit on Planning not yet completed
	Preparation of CDP/ CIP follows the revised guidelines and reflects local priorities in 80% of communes by EOP	Process Audit of C/S Planning EOP Evaluation	Process Audit on Planning not yet completed MTR discussions with Communes and reviewing a selection of CIPs and discussing priorities indicate that the CDP and CIP reflect local priorities. The main issue was the next stage where many “internal” projects are not funded under the C/S budget.
1.2 C/S Budgets reflects priorities in CIPs and in place in timely manner	> 50% of C/S Budget prepared by C/SC and approved by Provincial Governor by end of Jan and 95% by end of Feb of each year by EOP	Commune/Sangkat Fund (C/SF) budget monitoring reports	Data available in the PID but analysis not available.
	> 95% of investments included in C/S Budget reflect priorities in CIPs	Process Audit of C/S Planning	Audit not yet undertaken. C/S budget includes funds from other donors. “Internal” projects are those funded under the C/S budget and are in the CIP. “External” projects are those funded by line departments, NGO and other donors but are not in the CIP. Feedback from C/SCs during the MTR indicated that approximately 45% on

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Performance to date
			average are internal projects (ranged from 72% to 14% from the MTR provinces). For RILGP funded projects it was indicated that it is closer to 100% (road projects are normally a high priority)
1.3 Priority commune level investments funded through C/SF are implemented by C/SC in accordance with agreed systems and procedures	3,900 sub-projects by end of 2006 and 7,500 sub-projects by EOP implemented in participating communes	Project Information Database (PID) Process Audit of Implementation	3951 sub-projects by end of 2006, 4,880 subprojects by end 2007 (Credit component), 1,679 sub projects for 2007 and 2008 for the Grant Component.
	> 90% of sub-projects of satisfactory technical quality standards	Technical audit reports Process Audit of Implementation	The last Technical Audit was done in 2005. There is a technical audit currently underway. These audits indicate that quality for roads is acceptable. For irrigation and water supply the results are unsatisfactory. According to the MTR less than 90% of sub-projects meet satisfactory technical standards but this is based on anecdotal evidence and observation.
	> 50% of the final payments to contractors for sub-projects made within 12 months of budget approval contracts and 100% within 18 months	Project Information Database (PID) Provincial Treasury records	Data available in the PID but analysis not available.
	> 90% of sub-projects conform to safeguard procedures	Reports of Safeguard mechanism review	2007 Safeguards report undertaken. It concluded that the safeguards procedures in the PIM were not implemented very well. No proportion of sub-projects conforming to the safeguard procedures was estimated in the report.
Component 2. Policy Support and Project Management			

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Performance to date
2.1 National, provincial and commune institutions equipped for implementation of decentralized planning, financing, management and monitoring and evaluation (M&E) of the project	100% of participating communes and sub-national support staff to receive relevant training on planning, implementation, procurement and finance systems and procedures within first year of implementation	Progress reports	Data available in the PID but analysis not available.
	At least one visit per month by sub-national technical support staff to commune	Progress reports	From information available this could not be determined. Information gained through the MTR fieldwork indicated that there was limited numbers of visits to the Communes by TSOs. There was regular visits and interactions with the Communes from the DFTs.
	PST/NCDD equipped with vehicles, computer sets and photocopy machine by end of year one	Financial Management Reports (FMR)	These items were in place by second year.
	Provincial ExCom units and Provincial Treasuries equipped with vehicles, computer sets, motorcycles, photocopy machines, boats, furniture sets and generators by end of year one	FMRs	These items were in place by second year.
	PST and Provincial ExCom buildings constructed/ rehabilitated by end of 2008	FMRs	These items were in place by the end of 2009.
2.2 Sub-National Democratic and Development (SNDD) program established	National SNDD program consistent with D&D Strategic Framework in place by end of Jan 2009	a) SNDD program document	National Program developed by Sept 2009
2.3 Fiscal decentralization strategy consistent with D&D strategic framework and agreed Public Financial Management (PFM) reform targets developed and implemented	Revised sub-decree establishing C/SF allocations for 2008-2010 issued by late 2007	Issued Sub-decree	Sub-decree issued by Aug 2007.

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Performance to date
	Communes receive cash transfer equal to C/SF allocations within timeframe of agreed schedule of monthly cash release by 2005 onward	Bank Supervision	Data available in the PID but analysis not available.
	Development of strategy to increase commune own-source revenues (OSRs) by mid 2007, regulations promulgated to facilitate collection of OSRs by 2008, and implementation or strategy starting 2009	Commune/Sangkat OSR Strategy Bank Supervision	From information available this could not be determined.
Project Components/ Sub-components:	Inputs: (budget for each component)	Project reports:	
1. Local Planning and Investment Component 2. Policy Support and Project Management Component	US\$ 66.08 million of which IDA Grant US\$ 29.00 million US\$ 62.12 million of which IDA Grant US\$ 7.25 million	FMRs Annual Reports Annual Workplan and Budget Annual Audit	Completed

Note: The MTR Team completed this table by obtaining data from various sources as it was unable to find anyone who was specifically collecting/ analysing data for the specific purposes of completing this table.

Schedule for Field Visits

Location	Day/Date/AM-PM
1. Province: Battambang	Mon – 23/11/09 – PM
1.1 District: Aek Phnom	Tue – 24/11/09 – AM
(i) Commune: Samraong Knong	Tue – 24/11/09 – PM
(ii) Commune: Prek Kpob	Tue – 24/11/09 – AM/PM
1.2 District: Bavel	Wed – 25/11/09 – AM
(i) Commune: Kdol Ta Haen	Wed – 25/11/09 – PM
(ii) Commune: Ampil Pram Daeum	Wed – 25/11/09 – AM/PM
2. Province: Kampong Thom	Thu – 26/11/09 – PM
2.1 District: Santuk	Fri – 27/11/09 – AM
(i) Commune: Kraya	Fri – 27/11/09 – PM
(ii) Commune: Kakoah	Fri – 27/11/09 – AM
2.2 District: Stoung	Sat – 28/11/09 – AM
(i) Commune: Pralay	Sat – 28/11/09 – PM
(ii) Commune: Popok	Sat – 28/11/09 – AM
3. Province: Kratie	Mon – 30/11/09 AM
3.1 District: Sambour	Mon – 30/11/09 – PM
(i) Commune: Kbal Damrei	Mon – 30/11/09 – PM
(ii) Commune: Sandan	Mon – 30/11/09 – AM/PM
3.2 District: Kratie	Tue – 1/12/09 – AM
(i) Commune: Roka Kandal	Tue – 1/12/09 – PM
(ii) Commune: Krakor	Tue – 1/12/09 – AM/PM
4. Province: Kampot	Thu – 3/12/09 – AM
4.1 District: Tuek Chhou	Thu – 3/12/09 – PM
(i) Commune: Kaun Satv	Thu – 3/12/09 – PM
(ii) Commune: Stueng Kaev	Thu – 3/12/09 – PM
4.2 District: Chhuk	Fri – 4/12/09 AM
(i) Commune: Trapeang Phleang	Fri – 4/12/09 – PM
(ii) Commune: Meanchey	Fri – 4/12/09 – AM

Annex 4: People Met

Name	Position	Organisation	Location
Leng Vy	Director General	MOI, General Department of Local Administration	PNP
Ngan Chamroeun	Deputy Director General	MOI, General Department of Local Administration	PNP
Phon Sophany	Admin-Personnel Officer	NCDD	PNP
Hou Taing Eng	Secretary of State	MOP	PNP
Te Chun Tak	Deputy Director	MOWA, Department of Gender	PNP
Kim Siphath	Deputy Director	MOWA, Department of Gender	PNP
Chea Samnang	(former MRD focal point for RILGP)	MRD	PNP
Scott Leiper	Senior Program Advisor	PSDD (UNDP)/NCDD	PNP
Tuy Pheap	RILGP Coordination Adviser	RILGP/NCDD/Program Support Team	PNP
Martin de Graaf	Program Adviser	PSDD (UNDP)/NCDD	PNP
Khy An	National Safeguards Adviser	RILGP/NCDD	PNP
Rezaul Karim	M&E Adviser	PSDD/NCDD	PNP
Tim Grayling	Infrastructure Adviser	RILGP/NCDD	PNP
Uch Chan Vuthy	National Irrigation Adviser	RILGP/NCDD/Program Support Team	PNP
Hir Samnang	Engineering Adviser	RILGP/NCDD/DOLA	PNP
Chorn Sokun	IT Expert (PID)	PSDD/NCDD	PNP
Nhem Sovanna	Senior NREM Adviser-National Coordination	PSDD (UNDP)/NRM&L Project/NCDD	PNP
Barry Hall	Senior NRM Technical Adviser	PSDD (UNDP)/NRM&L Project/NCDD	PNP
Patrick Duong	DDLG Coordinator/ Advisor to the MOI	European Commission & UNDP support project for Democratic and Decentralised Local Governance	PNP

		(DDLG)/MOI	
Hok Kimthourn	Deputy National Project Coordinator	Ministry of Agriculture, Forestry and Fisheries, Project Support Unit (RPRP & RULIP projects)	PNP
Janelle Plummer	Senior Governance Specialist	World Bank, Cambodia Country Office	PNP
Kung Munichan	Operations Officer, D&D-EASRE	World Bank, Cambodia Country Office	PNP
Louise Scura	Task Manager	World Bank	USA
Jo Scheuer	Country Director	UNDP	PNP
Mauri Starckman	Governance Advisor	UNDP	PNP
Yi Kosalvathanak	Child Protection Officer	Unicef, Seth Koma Program, Local Governance for Child Rights Project	PNP
Mehr Latif	Senior Program Officer	The Asia Foundation (implementing part of DFGG Project)	PNP
Peter Degen	Rural Livelihoods Specialist	Tonle Sap Sustainable Livelihoods Project (ADB), MOI	BAT
Chan Borin	Project Manager	Buddhism for Development	BAT
Hean Muny Chenda	Director	Buddhism for Development	BAT
Hok Kim Houn	Deputy Project Director	IFAD (RPRP/RULIP)	PNP
Chhor Jan Sopal	Chief of Party	PACT Cambodia (LAAR Project)	PNP
Thach Savy	National Local Finance Advisor	UNDP (IDLG Project)	PNP
Battambang Province	ExCom Permanent Member, SPPA & Advisers, LAU, CAU, FU & TSU, PFTs/DFTs, Contractors.		BAT
Aek Phnom District	District Governor, Deputy Governor, DFT.		BAT
Prey Chas Commune	Commune Chief, Commune Councillors, Village Chiefs,		BAT

	Commune Clerk & Villagers.		
Samraong Knong Commune	Commune Chief, Commune Councillors, Village Chiefs, Commune Clerk & Villagers.		BAT
Bavel District	Deputy District Governor, DFTs.		BAT
Kdol Ta Haen Commune	Commune Chief, Commune Councillors, Village Chiefs, Commune Clerk & Villagers		BAT
Ampil PramDaeum Commune	Commune Chief, Commune Councillors, Village Chiefs, Commune Clerk & Villagers.		BAT
Kampong Thom Province	ExCom Permanent Member, SPPA & Advisers, LAU, CAU, FU & TSU, PFTs & DFTs.		KPT
Santuk District	District Governor, Deputy District Governor, DFT.		KPT
Kraya Commune	Commune Chief, Commune Councillors, Village Chiefs, Commune Clerk & Villagers.		KPT
Kakoah Commune	Commune Chief, Commune Councillors, Village Chiefs & Commune Clerk.		KPT
Stoung District	District Council Chief, Deputy District Governor, PFT & DFTs.		KPT
Pralay Commune	Commune Chief, Commune Councillors, Village Chiefs & Commune Clerk.		KPT
Popok Commune	Commune Chief, Commune Councillors, Village Chiefs, Commune Clerk & Villagers.		KPT
Kratie Province	Deputy Provincial Governor, ExCom Permanent Member, LAU, CAU, FU & TSU, PFTs & DFTs.		KRT
Sambour District	District Governor, Deputy Governors, Line Agency staff & DFTs.		KRT
Kbal Damrei Commune	Commune Chief, Commune Councillors, Village Chiefs, Commune Clerk & Villagers.		KRT
Sandan Commune	Commune Chief, Commune Councillors, Village Chiefs, Commune Clerk & DFT.		KRT
Kratie District	Deputy District Governor, District Line Agency staff,		KRT

	DFT.		
Roka Kandal Commune	Commune Chief, Commune Councillors, Village Chiefs, Commune Clerk & Villagers.		KRT
Krakor Commune	Commune Chief, Commune Councillors, Commune Clerk.		KRT
Kampot Province	ExCom Permanent Member, SPPA & Advisers, LAU, CAU, FU & TSU, PFTs/DFTs.		KAM
Tuek Chhou District	District Governor, Deputy Governor & PFT.		KAM
Kaun Satv Commune	Commune Chief, Commune Councillors, Commune Clerk, PFT & DFT.		KAM
Stueng Kaev Commune	Commune Chief, Commune Councillors, Commune Clerk & Villagers.		KAM
Chhuk District	District Governor, Deputy Governor & DFT.		KAM
Trapeang Phleang Commune	Commune Chief, Commune Councillors, Commune Clerk & Villagers.		KAM
Meanchey Commune	Commune Chief, Commune Councillors, Commune Clerk & DFT.		KAM

Annex 5: Key Documents Reviewed

1. World Bank (2003), RILGP Project Appraisal Document.
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4. NCDD (various years), RILGP Six-Month Progress Reports.
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7. Andersen, Biddulph, Birgegård (2008), PSDD Mid Term Review.
8. RGC (2002), PRAKAS on Establishment of Structure, Roles and Responsibilities of the Provincial/Municipal Rural Development Committee of the Seila Program.
9. Knowles, J.N. (2007), Assessment of C/S Funds Accountability Working Groups, RILGP.
10. Kent Helmers and Pia Wallgren, (2003) Final Report of the Baseline Survey for C/SC Infrastructure Investments 2003, UNOPS.
11. CADTIS Consultants Co Ltd (2005), Technical Audit of C/S Fund Projects.
12. Melanie Stallen (2005), Evaluation of Effectiveness of Technical Support Unit.
13. Robin Biddulph (2006), Through the Looking Glass: The Seila (2002-2005) Story As Told By Fifty-Three Consultant's Reports, DFID/Sida Permanent Advisory Team on the Seila Program.
14. Julian Abrams, (2008), Analysis of Returns on Investment, Economic Pre-Appraisal Of Projects Economic Post-Evaluation Of Projects – Manual.
15. Aruna Technology Ltd (2006), Socio-Economic Impact Evaluation of Commune/Sangkat Fund Irrigation Projects.
16. Crossroads Consultancies Group (2004), Follow Up Survey On Governance – Survey Of Knowledge, Attitudes, Practices And Beliefs On Standards Of Good Governance In Cambodia
17. Crossroads Consultancies Group (2005), Process Audit Of Commune/Sangkat Fund Projects
18. Cadtis Consultants (2008), Socio-economic Evaluation of Communes/Sangkats Fund Roads Projects
19. Economic Institute of Cambodia, (2008), Report On The Follow-up Survey to 2003 Baseline Socio-Economic Benefit Study
20. SBK Research and Development, (2008), Responsiveness of the Commune/Sangkat Development Plan and the Commune/Sangkat Investment Program to the Commune Socio-Economic Development Needs and the CMDGs-A Study
21. SBK Research and Development, (2008), Increased Accountability Mechanisms: Baseline and Progress Monitoring Surveys
22. SBK Research and Development, (2008), Perception Surveys on Selected Outcome Dimensions of the NCDD/PSDD Program
23. Dermot Shields (2006), Outcome Monitoring Systems Overview Report
24. James Manor (2008), Supporting Cambodia's Decentralisation and Deconcentration Reforms: Issues and Options for Development Partners

25. David Ashwell (2007), Assessment and Strengthening of the Effectiveness of Safeguard Mechanisms for Land Users and the Environment in the Commune – Sangkat Fund Project Implementation Process
26. Catherine Dom (2008), Commune/Sangkat Budget Execution Study
27. World Bank (2009), Sustaining Rapid Growth in a Challenging Environment (draft), Cambodia Country Economic Memorandum
28. Julian Abrams (2009), Investment Appraisal Methodology and Returns on Investment Study, Phase 2: Report
29. Ministry of Rural Development and Seila Task Force Secretariat (2004), Economic Evaluation of Laterite Roads supported by Commune – Sangkat Fund in 2003
30. Julian Abrams, (2004), An Economic Evaluation Of Decentralised Rural Infrastructure Investments In Cambodia
31. ADB (2004), Country Assistance Program Evaluation for Cambodia
32. Asian Development Bank Support for the Transport Sector in Viet Nam Evaluation Study, August 2009
33. Melanie Stallen (2005), Evaluation of effectiveness of Technical Support Unit, Final Report
34. Inter-ministerial Working Group (2007), Guideline on C/S Development Plan and C/S Investment Program

Annex 6: Template for Project M&E Plan

Description	What? (Indicators)	Targets	How? (Methods)	When? (Frequency)	Who collects the data?	Who analyses the data?	Costs?	Are the costs covered by the project budget?	Comments
Objectives									
Place the description of the objectives from the Logframe here	Place the description of the Objective Level indicators from the Logframe here	What are the Target to be reached by the project for each indicator?	Describe how the data collection will be undertaken – household surveys, case studies, technical or process reviews, monthly project reports, Project databases, other data sources, etc	Outline when this data and information collection will take place (monthly, quarterly, end of project, etc)	Outline who is responsible for collecting the data.	Describe who will analyse the data and what they will do with it once the data or information has been collected or produced. Who will be the audience?	Are there any costs associated with the collection of this data?	What are the budget implications?	Any other relevant comments and information
Outputs									
Place the description of the Outputs from the Logframe here.	Place the description of the Output Level indicators from the Logframe here	“”	“”	“”	“”	“”	“”	“”	“”
Activities									
Place the description of the Activities from the Logframe here.	Place the description of the Activity Level indicators from the Logframe here	“”	“”	“”	“”	“”	“”	“”	“”

Annex 7: C/SF Construction: Unit Costs: 2009

RILGP: Construction Unit Costs: 2009

Province	BAT	KPT	KRT	KAM	BMC	KCH	KSP	KDL	KKG	MKR	PNP	PVR	PUR	RAT	SRP	PVG
1. EMBANKMENT Fill *																
Transport of SOIL (Riel/m ³ /km)	410	410	240	410	1,160	360	250	3,000	400	410	2,400	540	396	400	398	410
Average transport distance (km)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
1.1 Transport of SOIL (Riel/m ³)	410	410	240	410	1,160	360	250	3,000	400	410	2,400	540	396	400	398	410
1.2 Buying of SOIL (Riel/m ³)	-	-	-	-	-	-	3,200	12,000	-	-	12,000	-	-	-	20,500	4,500
1.3 Excavation of SOIL (Riel/m ³)	2,450	2,450	1,960	2,450	4,600	1,880	2,450	8,500	2,480	2,450	6,000	2,010	2,380	2,500	2,399	2,450
1.4 Compaction of SOIL (Riel/m ³)	3,200	3,200	2,200	3,200	2,800	1,720	3,200	2,000	3,240	3,200	5,000	2,240	3,120	3,200	3,149	3,140
TOTAL Unit Cost (Riel/m ³)	6,060	6,060	4,400	6,060	8,560	3,960	9,100	25,500	6,120	6,060	25,400	4,790	5,896	6,100	26,445	10,500
UNIT COST for 1 m ³ in US\$	1.5	1.5	1.1	1.5	2.1	1.0	2.2	6.2	1.5	1.5	6.2	1.2	1.4	1.5	6.5	2.6
2. LATERITE Fill *																
Transport of LATERITE (Riel/m ³ /km)	410	410	240	410	1,160	360	250	900	400	410	2,400	540	396	400	398	410
Average transport distance (km)	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
2.1 Transport of LATERITE (Riel/m ³)	6,150	6,150	3,600	6,150	17,400	5,400	3,750	13,500	6,000	6,150	36,000	8,100	5,940	6,000	5,966	6,150
2.2 Buying of laterite (Riel/m ³)	-	-	-	-	-	-	12,000	30,000	-	-	16,000	-	-	-	26,650	4,500
2.3 Excavation of LATERITE (Riel/m ³)	2,450	2,450	2,400	2,450	3,600	4,280	2,450	4,000	2,480	2,450	4,000	2,010	2,380	2,500	2,399	2,450
2.4 Compaction of LATERITE (Riel/m ³)	3,200	3,200	3,120	3,200	3,000	3,000	3,200	4,500	3,240	3,200	5,000	2,240	3,120	3,200	3,149	3,140
TOTAL Unit Cost (Riel/m ³)	11,800	11,800	9,120	11,800	24,000	12,680	21,400	52,000	11,720	11,800	61,000	12,350	11,440	11,700	38,163	16,240
UNIT COST for 1 m ³ in US\$	2.9	2.9	2.2	2.9	5.9	3.1	5.2	12.7	2.9	2.9	14.9	3.0	2.8	2.9	9.3	4.0

Comparison with other Projects (US\$)

UNIT RATE FOR EMBANKMENT FILL	BAT	KPT	KRT	KAM	BMC	KCH	KSP	KDL	KKG	MKR	PNP	PVR	PUR	RAT	SRP	PVG
EC/ECOSORN	1.3	-	-	-	1.8	-	-	-	-	-	-	-	-	-	1.2	-
KfW TRIP IV	-	3.3	-	-	-	2.1	2.0	-	-	-	-	1.9	-	-	-	-
KfW RIP	-	2.0	-	-	-	-	-	-	-	-	-	-	-	-	2.0	-
C/S Fund	1.5	1.5	1.1	1.5	2.1	1.0	2.2	6.2	1.5	1.5	6.2	1.2	1.4	1.5	6.5	2.6
UNIT RATE FOR LATERITE **																
EC/ECOSORN	5.7	-	-	-	6.1	-	-	-	-	-	-	-	-	-	5.2	-
KfW TRIP IV	-	7.9	-	-	-	4.8	5.8	-	-	-	-	-	-	-	-	8.3
KfW RIP	-	7.0	-	-	-	-	-	-	-	-	-	-	-	-	7.0	-
C/S Fund	2.9	2.9	2.2	2.9	5.9	3.1	5.2	12.7	2.9	2.9	14.9	3.0	2.8	2.9	9.3	4.0

* medium conditions

** distances not exceeding 20 km