



(Unofficial Translation)

The Royal Government of Cambodia

NATIONAL COMMITTEE FOR SUB-NATIONAL DEMOCRATIC DEVELOPMENT



Report

Mid-Term Review

**National Program for Sub-National Democratic
Development Phase II (2021-2030)**

August 2025

Acknowledgement

On behalf of the NCDD, I would like to express my deep gratitude to the United Nations Development Program (UNDP) in Cambodia and the Government of Japan for supporting the NCDD in the mid-term evaluation of the National Program for Sub-National Democratic Development, Phase II (NP-II) through the project “Strengthening Transparency and Accountability in Local Governance through Citizen Participation”, which is co-funded by the Government of Japan through the Embassy of Japan in Cambodia and direct funding from UNDP.

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In this regard, on behalf of the NCDD, I encourage ministries, institutions, sub-national administrations, policy makers, development partners, and civil society organizations to use this report to understand the status of the implementation of decentralization and decentralization reforms, and call for continued support the formulation and implementation of the next five year implementation plan of the NP-II to achieve the expected objectives.

**Deputy Prime Minister, Minister of Interior
and Chairman of the NCDD**

H.E. Aphi Santhibandit Sar Sokha

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Abbreviations

AWPB	Annual Workplan and Budget
CCWC	Commune Committee for Women and Children Affairs
CIP	Commune Three-Year Rolling Investment Program
CP	Capital and Province
CS	Commune and Sangkat
D&D	Decentralization and Deconcentration
DM	District and Municipality
DO	District Ombudsman Office
DP	Development Partner
FGD	Focus Group Discussion
IP5	Five-Year Implementation Plan (2021-2025) of NP2
IP5-I	First Five-Year Implementation Plan (2021-2025) of NP2
ISAF	Implementation of Social Accountability Framework
KKG	Koh Kong Province
KPC	Kampong Cham Province
KSP	Kampong Speu Province
MDK	Municipality, District and Khan
MEF	Ministry of Economy and Finance
MOEYS	Ministry of Education, Youth and Sports
MOH	Ministry of Health
MOI	Ministry of Interior
MOP	Ministry of Planning
MTR	Mid-Term Review
NASLA	National School of Local Administration
NCDD	National Committee for Sub-National Democratic Development
NCDDS	NCDD Secretariat
NP-SNDD	National Program on Sub-National Democratic Development
NP1	National Program on Sub-National Democratic Development Phase 1 (2010-2020)
NP2	National Program on Sub-National Democratic Development Phase 2 (2021-2030)
OMC	Oddar Meanchey Province
OWSO	One Window Service Office at DMK
PUR	Pursat Province
SNA	Sub-National Administration
SCDD	Steering Committee on D&D Reform
STA/UNDP	Project on Strengthening Transparency and Accountability in Local Governance through Citizen Engagement of UNDP funded by Japanese Government
STG	Steung Treng Province
WCCC	Women and Children Consultative Committee

Executive Summary

The 10-Year National Program on Sub-National Democratic Development, Phase 2 from 2021- 2030 (NP2), was designed to enhance public service delivery and democratic development with inclusive, equitable, social, and just manner through establishing the structures and governance systems of sub-national administrations to be modern, autonomous, efficient, transparent, and accountable in providing public services and basic development to respond to the needs of citizens within the jurisdiction of each sub-national administration.

To ensure the achievement of the above objectives, the NP2 has identified five components to be implemented, including (1) leadership and coordination of reform work, (2) sub-national administration management structure and system, (3) human resource management and development, (4) financial decentralization, sub-national administration planning and budgeting systems, and (5) service delivery and local development.

The implementation of the NP2 is divided into two phases, each lasting five years: the first five-year implementation plan from 2021-2025 (IP5-I) and the second five-year implementation plan from 2026-2030 (IP5-II). In each year, the implementation of the NP2 is carried out through the Annual Workplan and Budget (AWPB) of NCDD, which includes the AWPBs on the NP2 implementation of the ministries, institutions, sub-national administrations and relevant development partners that are implementing agencies of the NP2.

The management and implementation of the NP2 is under the leadership and coordination of the NCDD, with the NCDD Secretariat as the main body responsible for managing and implementing the NP2, in close coordination and cooperation with relevant parties.

The mid-term review of NP2 or the end evaluation of IP5-I (referred as NP2 evaluation) is one of the key activities of the NP2 evaluation, which is defined in Chapter 4 on the management and implementation of the NP2 program and is planned to be implemented in the fifth year of the IP5-I. The evaluation aims to study and assess the progress, challenges and risks of implementing the NP2 compared to the defined results framework. The results of this review will be used to enhance achievement and effectiveness of the implementation of the NP2 from 2026-2030 and used as a baseline for the NP2 Programme.

The NP2 evaluation was carried out from March to July 2025 under the coordination of a working group led by the NCDD Secretariat and with technical and financial support from the Project on “Strengthening Transparency and Accountability in Local Governance through Citizen Participation.” of the United Nations Development Programme. The assessment was conducted through the collection, study and analysis of documents related to the 2nd cycle, individual assessment and group discussions. With various informants at both national and sub-national levels, including representatives of ministries, institutions, sub-national administrations, provincial line departments and units, development partners, civil society organizations, and other relevant parties, with a total of 1,275 participants, of which 28% were women.

Overall, over the past 5 years, although the implementation of the NP2 has encountered a serious crisis caused by the spread of COVID-19, it has been actively implemented under the leadership and coordination of NCDD and with the cooperation and participation of ministries, institutions, sub-national administrations, development partners, civil society organizations, the private sector and various stakeholders, and has achieved many results as planned. As a result, 90 priority activities, equivalent to 80% of the total 112 priority activities of the 2nd Action Plan, have been implemented, of which 27 priority activities, equivalent to 24%, have achieved 100% as planned. 127 indicators, equivalent to 77% of the total 165 indicators, have been implemented, of which 38 indicators, equivalent to 23%, have achieved 100% as planned. Meanwhile, the results of individual evaluations on the implementation of the NP2 by each component have achieved an average of 80%.

The main results achieved under each component are summarized below:

A. Results Framework

The NP2 is organized according to the hierarchy of results (logical results) as follows:

- Vision
- Goal
- Objective
- Outcome (by component)
- Expected output (including indicators)
- Priority activity

To achieve the objectives and goals of the NP2/ IP5-I, 37 expected results, 112 priority actions, and 165 indicators have been identified.

Overall, priority activities and expected outputs are interrelated and interdependent, meaning that successful implementation of priority activities will lead to the achievement of expected outcomes. Similarly, the achievement of outcomes will lead to the achievement of objective, which in turn will lead to the achievement of goal and vision.

B. Program Implementation

Component 1: Leadership and Coordination of Reform

Key results achieved in Component 1 include:

The 23 activities, equivalent to 96%, have been implemented, of which 13 activities, equivalent to 54%, have been fully implemented as planned. 32 indicators, out of a total of 33 indicators, equivalent to 97%, have been implemented, of which 19 indicators, equivalent to 58%, have been fully achieved. The main priority activities implemented include:

- Overall, the NP2/IP5-I has been and is being effectively implemented under the leadership and coordination of the NCDD. The 22 ministries, institutions and the sub-national administrations country-wide participated in implementation of NP-II. The NCDD meeting held twice a year to review progress and challenges, including gender equality, in the implementation of the NP2 as well as to review and approve relevant policies and regulations.
- More than 250 policies, laws, regulations and manuals related to D&D reform prepared and implemented from 2021-2025.
- The Forum between the Royal Government and Sub-national Administrations on “Decentralization and Decentralization Reforms, contributing in achieving Cambodia’s Vision 2050”, as an initiative of the Prime Minister of the Kingdom of Cambodia, was successfully organized on March 8, 2025, with more than 1,400 in-person participants and more than 10,000 online participants (ZOOM). The Forum is a major event of the decentralization and decentralization reforms organized with the aim of jointly assessing progress, challenges, and policy orientations to deepen the implementation of these reforms, aiming to contributing to the implementation of the political programs, and the Pentagonal Strategy of the 7th mandate of Royal Government.
- The 22 relevant ministries, institutions at the national level and all sub-national administrations represented by the 25 capital and provincial administrations participated in the implementation of the NCDD’s annual workplan and budget by allocating their budget to support the implementation of core activities within their jurisdictions as defined in the NCDD’s annual workplan and budget, with a total budget of an average of 5-6 million US dollars per year. This demonstrates the promotion of ownership and high responsibility of ministries, institutions and sub-national administrations in supporting the implementation of NP-II or decentralization and decentralization reform.
- Ministries, institutions, subnational administrations and civil society organizations better understand on the D&D reform “...is an implementation of the government's reform policy

and involves the transfer of functions, power, human resource management, fund transfers from the national level, service provision through one window mechanism, etc.”

- D&D reform is also widely disseminated to sub-national levels, civil society organizations and citizens through various means, especially through public forums, village meetings with residents, council meeting, meetings of WCCC and CCWC, workshops, training courses, and other events.
- The Association of District and Sangkat Councils and the Association of Municipal, District, Commune, Sangkat Councils at the capital and provincial levels, and the association branches at the municipal, district, and Khan levels, have been established and are actively working to develop the capacity and support their members.
- The NCDD secretariat led and organized 10 coordination meetings with development partners and civil society organizations on the preparation and implementation of the NP2.
- In addition to coordinating and monitoring the preparation and implementation of the NCDD's annual workplan and budget, the NCDD Secretariat, as the rotating chair, has participated in leading the coordination mechanism of the five key reforms, namely, decentralization and decentralization reform, public financial management reform, public administration reform, legal reform, and justice system reform, to ensure that the preparation and implementation of activities of these key reform programs are consistent, interconnected and complementary to each other.
- With support from UNDP, the NCDD, in collaboration with ministries, institutions, sub-national administrations, development partners, civil society organizations, and the private sector, conducted evaluations, including (1). End of NP-I evaluation (2). Governance Survey to develop a baseline governance index, a service delivery index, and a baseline sub-national administration capacity index; and (3). Mid-term evaluation of the NP-II.

Component 2: SNA Structures and Management Systems

The 19 activities, equivalent to 76%, have been implemented, of which 2 activities, equivalent to 8%, have been fully implemented according to the plan. 28 indicators, out of a total of 38 indicators, equivalent to 74%, have been implemented, of which 2 indicators, equivalent to 5%, have been achieved according to the plan. The main activities implemented include:

- The Municipal, district, and khan administrations have strived to fulfill their new functions and structures, which were re-organized in late 2019 and early 2020. The councils, board of governors, and officials of municipal, district, and khan administrations have expressed satisfaction with the new functions and structures of municipal, district, and khan administrations.
- The management of the implementation of education, youth and sports functions of the municipal, district and khan administrations has improved. The conditional budgets of the Education, Youth and Sports Office and the school have been transferred on time and used in accordance with the specified conditions.
- Ministries, institutions, and sub-national administrations have welcomed and greatly appreciated the organization of city and district administrations to become local governments with power and responsibility for both territorial administration and sectoral works in providing public services and local development for the people. Similarly, for the health sector, provincial administration and the Department of Health also confirmed the effectiveness of the management and provision of health services under the control of the Capital and provincial administration.
- The provincial and municipal councils and governors have focused on promoting, monitoring, and supervising the provision of services at hospitals and health centers through monthly council meetings and on-site inspections. This has contributed to

positive changes in the efficiency of health services at referral hospitals and health centers. More and more people are coming to receive services at health centers and referral hospitals. Health centers have staff on duty 24 hours a day. The health staff are friendly and have a professional code of conduct.

- Meanwhile, the NCDD Secretariat has been collecting, studying, and compiling documents on lessons learned from countries in the region in establishing the structure and functions of regional administrations (provinces) and large city (Phnom Penh Capital) administrations.
- The council and board of governors, including administrative units, have good internal relations in performing work, providing services, and local development for citizens (SNA internal relationship index 0.78 points, based on 2025 Governance Survey). At the same time, coordination, collaboration, and working relationships between provincial, municipal, district, and commune administrations are also working well, and provincial, municipal, and district administrations regularly monitor and support communes, especially by attending meetings of commune councils and organizing public forums.
- The provision of administrative services through the One Window Service Office (OWSO) mechanism at sub-national administrations has been strengthened and improved to make service delivery more convenient, fast, transparent and accountable. In particular, at the capital, provincial and municipal levels, some districts and khans have modernized the system and procedures for providing administrative services and paying administrative fees in some sectors online. The 2024 Governance Survey showed that the citizen satisfaction index for providing administrative services through the OWSO mechanism was 0.67, which is very good.
- Social accountability work has been expanded and implemented in 93% of the total number of communes and Sangkats nationwide. Based on the project end-of-project evaluation (October 2024), it shows that 92% of citizens are satisfied and actively participate in improving the performance of work, public service delivery, and local development provided by the three service units: commune and sangkat administrations, health centers, and primary schools.
- The Ombudsman Office has been actively involved in mediating and resolving citizens' complaints regarding administrative services provided by sub-national administrations through one window mechanism. On average, 80% of complaints filed with the authorities are resolved and resolved annually by the Ombudsman Office.

Component 3: Human Resource Management and Development

The 23 activities, equivalent to 74%, have been implemented, of which 3 activities, equivalent to 10%, have been fully implemented as planned. 31 indicators, out of a total of 45 indicators, equivalent to 69%, have been implemented, of which 4 indicators, equivalent to 9%, have been fully implemented as planned. Key results achieved in Component 3 include:

- In 2022, the Ministry of Civil Service prepared and issued guidelines on the principles, forms, and procedures for managing personnel of the Capital administration, district administration, provincial administration, and municipal and district administration. Then, in 2023, the Ministry also prepared and issued a sub-decree on the description of positions of municipal, district, and district administrations, which is the basis for developing the terms of reference of each employee.
- The Royal Decree on the Statute for Sub-national Administrative Staff has been amended to pave the way for the appointment of principal of the public primary school to be made by the provincial governor.
- The Sub-Decree on the principles and procedures for the appointment, change, and termination of the principal of public preschools and principal of public primary schools have been prepared and published for implementation in early 2025.
- The sub-national administration has a broad understanding of gender equality, social

justice and equity. Whenever there is an appointment or change of positions, there is always close consultation and participation of the chairperson of the WCCC/ CCWC and the female deputy governor in considering and considering female candidates . As a result, the number of women holding management positions at the municipal, district and Khan levels in 2024 was 1,651 people equivalent to 23.07%., and the capital and provincial levels account for 27.46%.

- Every year, Capital and provincial administrations prepare and implement capacity development plans for their own staff and those of municipal, district, Khan, and commune/Sangkat administrations based on capacity needs assessments introduced and trained by the National School of Local Administration. On average, Capital and provincial administrations implemented more than 200 capacity development activities per year, with 6,700 participants.
- The National School of Local Administration has been actively working to develop the capacity of civil servants in sub-national administrations. In close collaboration with ministries/ institutions, development partners and relevant stakeholders on many topics such as structures, functions, authorities, roles and duties of sub-national administrations, leadership, gender equality, social equity and inclusiveness, planning, social accountability, climate change, etc. On average, the school implemented 35 capacity development activities for sub-national administrations per year, with over 1,500 participants .

Component 4: Fiscal Decentralization, SNA Planning and Budget Systems

The 15 activities, equivalent to 68%, have been implemented, of which 9 activities, equivalent to 41%, have been fully implemented as planned. 24 indicators out of a total of 36, equivalent to 67%, have been implemented, of which thirteen indicators, equivalent to 36%, have been fully implemented as planned. The main activities implemented include:

- The budget preparation process of the sub-national administration is carried out based on the project, activity, and three-year rolling investment program in accordance with the work calendar and established procedures as defined in Inter-Ministerial Prakas No. 0149 between the Ministry of Interior, the Ministry of Economy and Finance, and the Ministry of Planning.
- The preparation and implementation of sub-national budgets and funds has been efficiently conducted through the online FMIS system .
- During the implementation of the NP-II, the budget of sub-national administrations has increased significantly, including:
 - The budget of all three levels of sub-national administrations in 2021 was US\$858 million, increasing to US\$1,790 million in 2025
 - The budget of the capital and provinces in 2021 was US\$544 million, increasing to US\$867 million in 2025
 - The budget of the city and district administrations in 2021 was US\$129 million, increasing to US\$580 million in 2025, giving each city and district administration an average budget of approximately US\$270,000 for local development
 - The total budget of commune and sangkat administrations in 2021 was US\$184 million, increasing to US\$343 million in 2025, giving each commune and sangkat administration an average budget of approximately US\$110,000 for local development.
- Conditional grants for education sector functions have been transferred to municipality and district administrations and implemented effectively. Also, conditional grants for health sector functions have been transferred to the Capital and provincial administrations and implemented effectively.
- The three levels of sub-national administration have allocated funds for implementing social service delivery and environmental sanitation activities. This is a positive

development in ensuring that sub-national administrations use public resources in an efficient and socially equitable manner.

Component 5: Service Delivery and Local Development

The 10 activities, representing 100% implementation. 12 out of 13 indicators, representing 92% implementation. Key results and activities implemented include:

- Technical guidelines for implementing functions transferred to sub-national administrations prepared and implemented for 08 sectors including public works and social affairs, industry, mines and energy, tourism, land management, culture and education.
- Municipal and district administrations strive to be responsible for implementing transferred functions according to their capabilities and available resources.
- The provision of administrative services through the one window mechanism has been and is operating efficiently, transparently, and has received high satisfaction from citizens. The 2025 Governance Survey of NP2 showed similar results, with the service delivery index scoring 0.69 points, of which the performance index scored 0.67 points (ranking at relatively good level) and the responsiveness index scored 0.74 points (ranking at good level).
- Social accountability work has been expanded and implemented in 93% of the total number of communes and Sangkats nationwide. The project end-of-project evaluation showed that 92% of citizens are satisfied and actively participate in improving the performance of work, public service delivery, and local development provided by the three service units as described in comment 2.
- Implementation of sub-national administration projects (small-scale infrastructure and service projects) to meet the needs of citizens are increasing every year. On average, the sub-national administrations implement more than 2,600 projects in a year.
- The municipality, district and commune, Sangkat funds from 2024-2028 have specifically earmarked for social services, sanitation and environmental components that can be used to support projects and activities related to climate change, disasters, infectious diseases and other related works. At the same time, the Ministry of Interior and the Ministry of Economy and Finance also issued Inter-Ministerial Circular No. 007 of April 2025 on the management, administration and identification of social services, sanitation and environmental budget expenditure items to implement projects and activities related to social services, sanitation, and the environment.

Risk Management and Mitigation

The NP2/IP5-I identified 36 key risks, of which 34 risks, equivalent to 94%, were implemented, including 13 risks (36%) for which measures were successfully taken to prevent and mitigate them. Progress on risk management and mitigation is prepared and included in the semi-annual and annual reports of NCDD AWPB as well as the semi-annual and annual reports of the NP2 implementers.

Budget Implementation

The budget for core reform activities for the implementation of the NP2 of the reform from 2021 to 2025 is 741,125 million Riels, equivalent to 185 million US dollars, including core reform activities of ministries, institutions and sub-national administrations amounting to 136,793 million Riels, equivalent to 34 million US dollars, and the specific activity budget of projects and programs of development partners supporting core reforms is 604,332 million Riels, equivalent to 151 million US dollars, equivalent to 54%.

As of 2024, the budget expenditure of the Royal Government amounted to 79,385 million Riels, equivalent to 20 million US dollars, or 58%, and the budget expenditure of development partners amounted to 327,948 million Riels, equivalent to 82 million US dollars, or 54%.

C. Challenges

Regardless of the important results achieved above, the NP2 evaluation also identified the following challenges for the implementation of the NP2 from 2021-2025:

Results Framework

- The goal of NP2 focuses on “democratic development,” which is broader than the vision and inconsistent with the content of the goals which focuses on “local development”.
- There are no indicators at the vision, objectives, goals, and outcomes levels.
- Some of the expected outputs and priority activities are too narrow in scope and detailed.
- There are no clear guidelines on what activities should be prepared and included in the AWPB. Yet, the guidelines on the preparation and implementation of the AWPB have been prepared since 2012, which need to be reviewed and adjusted accordingly.

Program Implementation

- Major challenges that have significantly affected the preparation and implementation of the NP2 include:
 - The COVID-19 pandemic, which has suspended and postponed the implementation of the NP2 until early 2022.
 - The global economic crisis caused by the trade war, created by the United States, has affected state budget revenues, including funds allocated to support sub-national administrations.
 - The recent political crisis over the border problem, which is being caused by Thailand with Cambodia, is greatly affecting the sub-national administration in performing its work, providing services, and developing local facilities for the citizens.
- In general, sub-national administrations do not know the NP2 or IP5-I.
- At the sub-national level, the SCDD is not operational, but the work of the NP2 is guided and coordinated by existing mechanisms.
- 22 priority activities, equaling to 20 % of the total 112 priority activities of the NP2 that have not yet been implemented.
- Municipal, district, and Khan administrations are facing serious human resource problems, especially a shortage of staff in various sector offices, including limited capacity and technical skills required for each position.
- Municipal and district administrations have limited budgets for implementing various sectoral work transferred from ministries, ministries, and institutions.
- The Ombudsman Office has not yet implemented mediation and resolved complaints related to the implementation of sub-national administrative projects due to a lack of staff, and citizens are not yet fully aware of this mechanism.
- Regarding capacity development, the city, district, khan, and commune levels do not have clear plans or activities for annual capacity development for their employees in particular, communes and Sangkat are fully dependent on capacity development from the provincial level.
- Some administrative services transferred from ministries and institutions to cities, districts, and khans do not yet have clear procedures. Similarly, many sectoral functions transferred to cities, districts, and Khans do not yet have instructions and procedures for implementation.
- Most provinces are facing a shortage of technical officials (both in number and capacity) to support municipalities, districts, and communes/ Sangkats in preparing and implementing the projects.
- Lack of monitoring, monitoring and support for communes and Sangkats in preparing and implementing commune and Sangkat fund projects.

D. Recommendations

Based on the results, challenges, and risks outlined above, the 2nd CBA identified the following key recommendations:

NP2 Results Framework

- Review and revise the content of goal, focusing on “local development” to be consistent with the vision and objective.
- Set indicators for vision, goals, objectives, and outcomes.
- Review and reduce the number of expected results and priority actions by grouping together expected results and priority actions that are similar and related.
- Review and adjust the expected results and priority activities of the NP2 from 2026-2030, focusing on priorities that can support sub-national administrations and citizens affected by the war between Thailand and Cambodia.
- Identify and set indicators by priority activity to provide a basis and facilitate the preparation of the AWPB, monitoring, evaluation, and reporting.
- Review, revise, and update the guidelines on the preparation of the AWPB that have been issued since 2012, to ensure they are appropriate.

Program Implementation

- Review and adjust the structure and roles of the SCDD by expanding its responsibility for the three governance reform tasks (D&D Reform, Public Administrative Reform and Public Finance Reform) and strengthening the effective implementation of this mechanism.
- Promote the dissemination of the NP2/IP5-I to ministries, institutions, and sub-national administrations through workshops and meetings, with clear presentations and explanations, so that those institutions can disseminate it further to their own institutions and stakeholders.
- Review and revise the guidelines on the preparation and implementation of the AWPB, including revising the format and content of the AWPB of ministries, institutions, and sub-national administrations, by clearly defining the results and activities to be included in the AWPB.
- Continue to strengthen and support municipal and district administrations to enhance the implementation of their roles and duties in accordance with the revised structure and functions.
- Prioritize and expedite the preparation and issuance of the regulations and guidelines on separate budget packages for councils and committees under the capital, provincial, municipality, district, and Khan councils to enhance the performance of this mechanism.
- Strengthen and support the implementation of the roles and responsibilities of the Ombudsman Office at the capital, province, municipality, district, and Khan levels in receiving, mediating, and resolving citizen complaints, both in terms of administrative services and projects of sub-national administrations.
- Prioritize and focus on solving challenges facing municipalities, districts, and Khans, including staff shortages, the skills of staff in sectoral offices, in accordance with their assigned roles and duties, etc.
- Strengthen monitoring and evaluation of the implementation of the strategic plan on increasing the number of women in sub-national administrations.
- Pay more attention and expedite the preparation and distribution of funds for the implementation of various functions transferred to the municipal and district administrations appropriately.
- Accelerate the preparation and implementation of guidelines and procedures for internal control at the municipal and district levels.

- Accelerate the preparation and issuance of the guidelines and procedures for implementing sectoral functions transferred to municipality, district, and Khan administrations.
- Prepare and issue guidelines and procedures for implementing projects and activities related to social services, sanitation, and the environment of sub-national administrations.
- Pay more attention to and strengthen supervision, monitoring, and support the preparation and implementation of commune and Sangkat fund projects.
- Every year, the NCDD Secretariat must prepare an annual workplan on risk management and reduction, with appropriate allocation of responsibilities and support budgets to ensure effective implementation of the plan.
- Strengthen the role of the NCDD Secretariat in reviewing and endorsing the annual budget plans of ministries, institutions, and sub-national administrations for core reform activities before submitting them to the Ministry of Economy and Finance for review and approval.

1. Introduction

The Ten-Year National Program on Sub-National Democratic Development, Phase 2 from 2021 to 2030 (NP2), was approved by the Royal Government on December 9, 2021.

The NP2 aimed at *“promoting democratic, inclusive, equitable and just development through the modernization of sub-national governance and improved access, quality, and utilization of public service delivery. This will contribute to the elimination of poverty and the improved quality of life for all citizens.”*

To achieve the above goal, the objective of the NP2 is that *“structures and systems of sub-national governance are modern, autonomous, effective, transparent, and accountable in their provision of public services and local development. They will respond to the prioritized needs of the people in their jurisdiction in an equitable and inclusive manner. Each type of SNA will have adequate power and capacity to carry out their functions under the oversight of their councils to strengthen accountability to citizens.”*

To ensure the achievement of the above goal and objective, the NP2 is structured and divided into five strategic components as follows:

Component 1: Reform Leadership and Coordination

The outcome of this component 1 is that leadership, coordination and support mechanisms of national and sub-national levels must be strengthened. Ministries and institutions will take ownership of the program and fulfill their responsibility to formulate and implement the SNDD reform in an effective and efficient manner.

Component 2: SNA Administrative Structures and Systems.

The outcome of this component 2 is that structures, systems, powers and functions of SNAs will be clearly defined according to their level and type. These systems will vary depending on the characteristics of each SNA. For example, urban SNAs will have different characteristics than rural SNAs. Information technology systems will be integrated to promote effective management and improve internal and external communications of SNAs.

Component 3: Human Resources Management and Development

The outcome of this component 3 is that SNAs will recruit, manage and deploy their staff based on their workload and financial flexibility. Each SNA will hire staff with professional qualifications and skills appropriate to their roles and responsibilities. SNA staff will benefit from the implementation of systematic, progressive, and professional skills development activities and support.

Component 4: Fiscal Decentralization and SNA Planning and Budgeting Systems

The outcome of this component 4 is that SNAs will be provided with predictable and adequate budget resources aligned with mandates and policy priorities. This will give them the power and flexibility to respond to local situations and needs. These needs will be determined in the development plans, investment programs, and budget strategic plans (BSPs) of the SNAs.

Component 5: Service Delivery and Local Development Component

The outcome of this component 5 is that mechanisms, procedures and standards will be implemented to provide public services, foster local development, and improve communication. These processes will be implemented in an effective, transparent, accountable, socially equitable, and inclusive manner. SNAs will be transferred functions and given the responsibility to respond to the needs and problems of the citizens in their jurisdiction.

In addition to the five components above, the NP2 also includes three strategies for mainstreaming of cross-cutting issues:

Gender Equality and Social Equity and Inclusiveness Strategy:

The outcome of this strategy is that SNAs will recruit and manage staff, and prepare plans and resources. They will also administer public services and foster local development without discrimination based on gender, religion, disability, ethnicity, or other social characteristics. SNAs will work proactively to assist women and disadvantaged groups in an equitable and inclusive manner to overcome the challenges they face in utilizing public services and fully engaging in local development, the economy, and society.

Strategy on Climate Change Vulnerability, Disaster Risk Reduction, and Infectious Diseases

The outcome of this strategy is that SNAs will be able to assess, manage, and respond to climate change vulnerabilities. They will also work to reduce the risk of disaster and mitigate the risk of serious infectious diseases in their jurisdictions. These mechanisms will support the welfare and sustainable development of their communities.

E-Governance Strategy

The outcome of this strategy is that SNAs use digital technology in all aspects of their work including internal and government-to-government administrative tasks, delivery of administrative services to businesses and citizens and facilitating two-way communication with citizens for efficiency, transparency and accountability.

The NP2 was designed and implemented in two phases including the preparation and implementation of the first five-year implementation plan (IP5-I) from 2021 to 2025 which is being implemented, and the second five-year implementation plan (IP5-II), which will be formulated and implemented from 2026 to 2030.

The NP2 mid-term review is an activity of the NP2 evaluation as defined in Chapter 4 on Program Management and Implementation of the NP2 document (Session 4.2.6.3.), and is a priority activity in Component 1 (Priority Activity 1.3.6.) which is planned to be implemented during the fifth year of the IP5-I, i.e., 2025. This review was conducted with the support of the project on “Strengthening Transparency and Accountability in Local Governance through Citizen Participation” funded by the Government of Japan and with UNDP financing. Terms of reference of the NP2 mid-term review is described in Annex 1.

2. Objectives of NP2 Mid-Term Review

The mid-term review of the NP2 has the following objectives:

- Review and assess the progress of the NP2/ IP5-I implementation focusing on the SNA structure and governance system, human resource development and management, the transfer of functions to SNAs, and the performance of SNAs compared to the outputs and risks set out in each component of the IP5-I.
- Identify challenges encountered during the NP2 implementation from 2021-2025.
- Review and assess the appropriateness of the NP2 Results Framework in terms of SMART (Specific, Measurable, Achievable, Relevant and Time-Bound) and taking into account the remaining 5-year period of NP2.
- Review and identify outputs and priority activities to be implemented in the second phase of NP2 from 2026 to 2030.
- Draw recommendations for addressing the identified key challenges and mitigating the risks.
- The results of this NP2 MTR will also be used for the developing the IP5-II and serve as a baseline for the end-of-program evaluation of the NP2.

3. Scope of NP2 Mid-Term Review

The NP2 mid-term review is the review of the progress on the implementation of the NP2 from 2021 to 2025, with a focus on achieving the results of the NP2 implementation at the expected output level including indicators and at the priority activity level as well as identify challenges and risks encountered and addressed during the implementation. In this sense, the mid-term review did not over impact of achieved at the objective, goal and vision levels of NP2 or IP5-I.

4. Methods of NP2 Mid-Term Review

Mid-term evaluation of The second evaluation or final evaluation of the 5th Phase of the 1st Phase (hereinafter referred to as the Second Evaluation) was conducted over a period of 5 months from March to July 2025 in selected ministries, institutions, relevant civil society organizations, and sub-national administrations, and in accordance with the methodology summarized below:

4.1. Review Methods and Tools

Main methods used for the mid-term review of the NP2:

- Collect, study and analysis of the policy documents, laws, regulations, reports and other documents related to the implementation of IP5-I (desk review)
- Collecting essential data and information related to the implementation of IP5-I, including the collection of existing data from secondary data system and obtaining information and data through meeting, discussion, and interviews with relevant informants at both national and sub-national levels (primary data).
- Data entry and analysis of collected data, utilizing both statistical analysis and prescriptive/qualitative analysis.
- Prepare a preliminary draft report on the findings of the NP2 mid-term review based on the results of the data analysis.
- Organize discussions and consultations on the findings and results of the analysis through the conducting the meetings or workshops with stakeholders at both national and sub-national levels, which are attended by at least 50 relevant stakeholders.
- Review, revise and finalize the draft report on the mid-term review of NP2 for submission to the NCDD Secretariat.

The NP2 evaluation was conducted using a list of individual questions (assessed via Google Forms) and a list of key questions for focus group discussions (FGDs), organized by the following types of informants:

National Level:

There are 3 types of questions at the national level:

1. Questions for the NCDD Secretariat
2. Questions for relevant ministries and institutions
3. Questions for development partners and civil society organizations

Sub-National Level:

Questions at the sub-national level include 5 types:

1. Councils and relevant committees of the Capital, province, municipality, district, and Khan administrations
2. The board of governors, directors, deputy directors, and subordinate units of the Capital, Provincial, Municipal and District Halls,

3. Line departments and units at the Capital and provincial levels,
4. Relevant civil society organizations at the Capital and provincial levels,
5. Commune and Sangkat councils, committees, commune and Sangkat chiefs and related officials.

List of questions is organized into two parts:

- 1) Questions about the results framework of the NP2/ IP5-I and
- 2) Questions about the progress, challenges and risks related to the implementation NP2 or IP5-I in each component from 2021-2025 .

4.2. Target Areas and Informants

The NP2 mid-term evaluation was conducted in the 6 selected provinces (Kampong Speu, Kampong Cham, Stung Treng, Pursat, Koh Kong, and Oddar Meanchey) including 12 municipalities and districts, and 24 communes and Sangkats in the 6 provinces; relevant ministries and institutions, DPs and CSOs.

The total number of informants is 1,275 people in which 28% of the informants are women, as presented in the table below:

Summary of the NP2 Evaluation Informants

No.	Institution	Male	Female	Total
1	Ministries and institutions	79	24	103
2	Provincial administrations	154	42	196
3	Provincial line departments and units	132	45	177
4	Non-governmental organizations	37	26	63
5	Municipalities and districts	280	108	388
6	Communes and Sangkats	239	109	348
	Total	921	354	1,275

The list of sub-national administrations, ministries, institutions and civil society organizations selected for NP2 mid-term review is described in Annex 6.

5. Findings of NP2 Mid-Term Review

In line with the purpose of the evaluation, the findings or results of the evaluation are organized and divided into two parts: findings related to the results framework and findings related to program implementation, including progress in risk management and mitigation and budget implementation.

5.1. Program Results Framework

The NP2 is organized according to a hierarchy of results (logical results), which includes:

- Vision
- Goal
- Objective
- Outcomes (by each component)
- Expected outputs
- Priority activities

Overall, the NP2/ IP5-I includes 37 expected outputs, 112 priority activities, and 165 indicators. The priority activities and expected outputs are interrelated and interdependent meaning the successful implementation of priority activities will lead to the achievement of expected outputs. Similarly, the achievement of component outcomes will lead to the achievement of objective and, as a result, will lead to the achievement of the goal and vision.

The implementation of the NP2 is conducted through a five-year implementation plan, including the IP5-I (2021-2025) and the IP5-II (2026-2030).

The hierarchy and content of the IP5-I results are completely identical to the hierarchy and content of the NP2 results. At the same time, the IP5-I includes indicators and targets organized by each expected output.

A draft of the NP2 Results Framework table, including indicators and targets, was developed during the design of the NP2, but this Framework has not been finalized. This has caused difficulties in determining indicators and targets for the IP5-I, as well as monitoring, evaluating, and reporting on the implementation of the NP2.

A. Vision

The vision of the NP2 is *“Citizens have improved access to public services and benefit from local development provided by the SNAs in a socially equitable and inclusive manner and eventually contribute to the achievement of the socio-economic objective of advancing Cambodia to a middle high-income country in 2030.”*

The main content of this vision is that **citizens receive public services. and benefits from basic development provided by sub-national administrations Inclusive and social equity .**

Challenges:

- The NP2 does not set indicators and targets for the vision
- Besides improving public services, the vision focuses on people benefiting from “local development” while the goal aimed at promoting “democratic development”
- By definition in D&D context, the scope of the vision seems smaller than the goal.

In addition, the use of the terms “public services” and “local development” in the vision statement of the NP-II and in other documents related to D&D reforms is inconsistent with documents in other sectors. The Evaluation Consultant observed that the term “public services” in the context of D&D reforms refers to services that arise from the implementation of mandatory functions transferred to sub-national administrations or that are within the jurisdiction of sub-national administrations, such as administrative services, public security services, health services, education services, waste management services, etc. As for the term “local development” refers to the implementation of infrastructure projects and service projects of sub-national administrations that use the discretionary budget of each sub-national administration, especially the local development component budget of commune, sangkat, municipal, district funds and capital and provincial budgets, such as projects to build roads, bridges, sewers, public parks, school buildings, ponds, dams, small-scale irrigation systems, etc. In the context of D&D reforms, these two terms are often used interchangeably (public service delivery and local development), referring to the implementation of activities within the jurisdiction of sub-national administrations to respond to the priority needs of citizens and solve local challenges within the jurisdiction of each sub-national administration.

As for the term “public service” used in public documents in other sectors, it refers to the implementation of activities carried out by competent institutions (state institutions or state agencies or authorities at all levels of the state) and competent institutions (private sector and civil society that receive rights and duties from the state) with the aim of serving the public interest.

This inconsistent use of key terms can lead to confusion, different perceptions and different

interpretations of the meaning of these terms. This, in the absence of clear indicators as a basis for evaluation, leads to difficulties in measuring and reflecting the results of achieving the vision of the second pillar.

B. Goal

To contribute to achieving the above vision, the NP2 goal is ***“Promote democratic, inclusive, equitable, and just development through the modernisation of sub-national governance, with improved access, quality, and utilisation of service delivery which contributes to the elimination of poverty and the improved quality of life for all citizens.”***

The key content of the goal is that **“to promote democratic, inclusive, equitable, and just development...”**

Challenges:

- The NP2 does not set indicators and targets for the goal.
- Besides improving public services, the goal aimed at promoting “democratic development while the vision focuses on people benefiting from “local development”. By definition in D&D context, the scope of the goal seems bigger than the vision.

C. Objective

To achieve the above goal, the NP2 objective is that ***“structures and systems of sub-national governance are modern, autonomous, effective, transparent, and accountable in their provision of public services and local development. They will respond to the prioritized needs of the people in their jurisdiction in an equitable and inclusive manner. Each type of SNA will have adequate power and capacity to carry out their functions under the oversight of their councils to strengthen accountability to citizens”***

The main content of this objective is **“structures and systems of sub-national governance are modern, autonomous, effective, transparent, and accountable in their provision of public services and local development**

To achieve the above goal, the NP2 is organized and divided into 5 components, and each component has a set of outcomes that are expected to be achieved.

Challenges:

- The NP2 does not set indicators and targets for the objective
- Besides improving public services, the objective focuses on local development while the goal focuses on democratic development
- The objective includes two levels of results:
 - Structures and systems of sub-national governance are modern...and
 - Structures and systems will respond to the prioritized needs of the people...and SNAs will have adequate power...
- The objective is too long and includes 3 different sentences.

D. Outcome by Component

To achieve the above objective, the NP2 is organized and divided into 5 components. Each component has determined an expected outcome to be achieved during the NP2.

Components	Outcomes
1	<i>Leadership, coordination, and support mechanisms of national and sub-national levels are strengthened to promote the ownership and responsibilities</i>

	<i>of ministries and institutions in the formulation and implementation of SNDD reform programmes in an effective and efficient manner.</i>
2	<i>Structures, systems, powers, and functions of SNAs are clearly defined and differentiated according to level and type of SNA. These structures will be created in accordance with metropolitan, urban, and rural characteristics. SNAs will use information technology systems to promote effective management, service delivery, and public communication.</i>
3	<i>SNAs recruit, manage, and deploy their staff based on the workload and financial availability of each SNA. SNAs employ staff with professional qualifications and skills appropriate to their roles and responsibilities and SNAs provide systematic, progressive, and professional skills development and support.</i>
4	<i>SNAs have predictable and adequate budget resources aligned with mandates and policy priorities that are allocated with the flexibility to respond to local situations and needs determined in the development plans, investment programmes, and budget strategic plans of SNAs.</i>
5	<i>Mechanisms, procedures, and standards are in place for providing public services, local development, and communication in an effective, transparent, accountable, socially equitable, and inclusive manner. This will be done through general mandates and by carrying out permissive and obligatory functions in response to the needs and problems of citizens in each jurisdiction.</i>

Challenges:

- The NP2 does not set indicators and targets for the outcomes.
- The outcome phrases are long and difficult to understand and remember
- Outcomes 2 and 5 include 2 different levels of result.

E. Expected Outputs and Indicators

To achieve the five outcomes, the NP2 has identified a total of 37 expected results, including 112 priority actions and 165 indicators, as shown in the table below.

Table 2: Expected Outputs, Priority Activities and Indicators of NP2

Components	Expected Outputs	Priority Activities	Indicators
1	5	24	33
2	8	25	38
3	10	31	45
4	10	22	36
5	4	10	13
Total	37	112	165

Challenges:

- The number of expected outputs of the IP5-I is equal to the number of expected outputs of the NP2. This indicates that there are no expected outputs to be achieved during the IP5-I.
- There are too many expected outputs are numerous in some components, such as Component 3 and Component 4.

- Similarly, each component has a large number of priority activities and some of them are too detailed.

C. Priority Priorities

Each of the expected outcomes of the second phase is achieved through priority activities. The second phase includes a total of 112, as shown in Table 2 above.

Challenges:

- Implementation of the second phase of the program was delayed until early 2022 due to the impact of COVID-19.
- The number of priority actions in the IP5-I is similar to the number of priority actions in the NP2 (NP2 has 128 actions). This indicates that most of the priority actions could not be achieved during the 5th P51.
- There are too many priority actions and some of them are too detailed (component 3).
- There are no indicators by priority activity, making it difficult to prepare the PBG and set annual indicators.

G. Annual Workplan and Budget (AWPB)

Every year, 47 implementing agencies, including ministries, 22 institutions, and administrative bodies of the capital, provinces, municipalities, districts, Khans, and communes nationwide, participate in the implementation of the Second Framework Agreement by preparing agreements (joint decisions) with the NP2 Secretariat and allocate their own budgets (state budget) to support this agreement, amounting to 5-6 million dollars per year.

The joint decision activities are prepared based on the expected results and priority activities of the NP2 and focus mainly on the preparation of standards, capamunicipality development, monitoring, supervision, and support to sub-national administrations (core activities of the reform work) in performing public service delivery and basic development within their jurisdiction.

The results of the implementation of the joint decision are included in Section 4.2. below.

Challenges:

- There are no set expected results to be achieved in each year in the AWPB, which makes it difficult to define annual activities and indicators.
- There is no clear guidance on the core reform activities of the sub-national level to be included in the AWPB.
- Many core reform activities of sub-national administrations are not included in the AWPB, such as:
 - Supporting municipalities, districts, and communes in studying and preparing investment projects
 - Activities of the line department and units related to capacity development and support to sectoral offices of the municipal, district and Khan administrations
 - Project activities funded by development partners and civil society organizations
- Lack of participation of relevant line departments and units, and civil society organizations in the preparation and implementation of the CP AWPB
- The mechanisms and systems for managing and monitoring the AWPB have not functioned according to the plan.

5.2. Program Implementation

For program implementation, the evaluation focuses on the progress of implementing priority activities and indicators of the 2nd/5th 1st CPA, as these two results are used as the basis for preparing

the annual action plan and budget of the NEC and implementing agencies. At the same time, the progress of program implementation also includes progress in promoting gender equality, social inclusion and equity, climate change, disasters and infectious diseases.

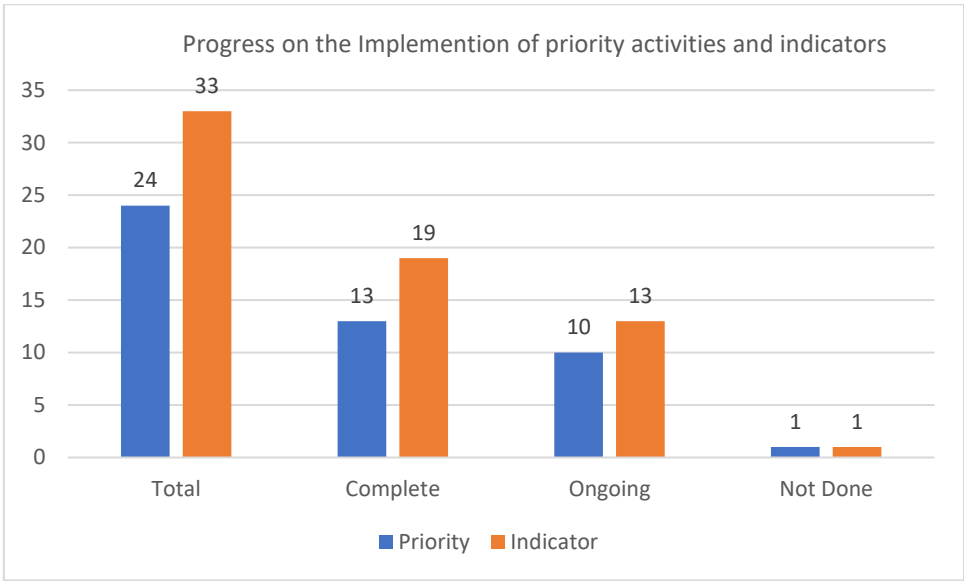
Overall, as of the first half of 2025, 90 priority activities, equivalent to 80% of the total 112 priority activities of the NP2, have been implemented, of which 27 priority activities, equivalent to 24%, have achieved 100% as planned. 127 indicators, equivalent to 77% of the total 165 indicators, have been implemented, of which 38 indicators, equivalent to 23%, have achieved 100% of the planned targets. This result is consistent with the results of individual assessments by informants on the implementation of the NP2 by each component, which achieved an average of 80%.

5.2.1. Component 1: Leadership and Coordination of Reform

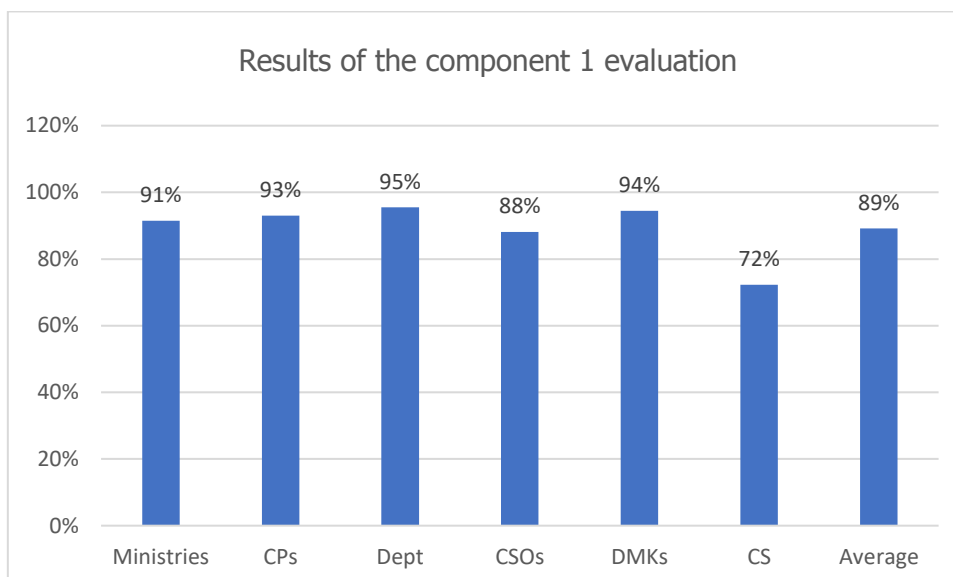
A. Achievements

Component 1 includes 5 expected outputs, 24 priority activities, and 33 indicators.

As of the first half of 2025, 23 priority activities, equivalent to 96%, have been implemented, of which 13 activities, equivalent to 54%, have been fully implemented according to plan. 32 indicators out of a total of 33 indicators, equivalent to 97%, have been implemented, of which 19 indicators, equivalent to 58%, have been implemented according to plan.



Meanwhile, based on the results of individual assessments by various informants at both the national and sub-national levels, the implementation of activities under Component 1 has been achieved at 89% (ratings range from average, good, and excellent).



Key results achieved include:

- The implementation of the NP2 is under the leadership and coordination of the NCDD, with the Deputy Prime Minister and Minister of Interior as the Chairman. The NCDD meeting held twice a year to review progress and challenges, including gender equality, in the implementation of the NP2, as well as to review and approve relevant policies and regulations.
- In 2023, the structure and composition of the NCDD were revised, with the Senior Minister in charge of special missions as the Permanent Vice-Chairman. The NCDD includes three subordinate sub-committees:
 - Functions and Resources Subcommittee
 - Sub-Committee on Fiscal and Financial Affairs and
 - Sub-Committee on SNA Personnel
- In ministries, institutions, and administrations in the capital, provinces, municipalities, and districts, the implementation of the NP2 is under the leadership and coordination of the SCDD, which is chaired by the heads of these institutions.
- At the commune/Sangkat level, the implementation of the NP2 is under the leadership and coordination of the commune/Sangkat council.
- In March 2025, the NCDD coordinated and organized the first forum within the framework of decentralization and deconcentration reforms between the Royal Government and sub-national administrations with the aim of assessing progress and identifying challenges in implementing the policies of decentralization and deconcentration reforms, aiming to contribute to the implementation of the Pentagon Strategy, Phase 1, and various political programs of the Royal Government, aiming to achieve the Cambodian Vision 2050.
- At the capital, provincial, municipal, and district levels, the implementation of the NP2 is monitored and evaluated through various mechanisms such as monthly or quarterly administrative meetings, council meetings, governing body meetings, and other relevant meetings.
- Ministries, institutions, and civil society organizations have a better understanding of the decentralization and deconcentration reform work, which is the implementation of the Royal Government's policies and involves important tasks such as the transfer of functions, authority, human resource management, budget transfers from the national level, service delivery through a one window mechanism, implementation of sub-national administration projects, etc.

- At the same time, the work of decentralization and deconcentration reform has also been widely disseminated to sub-national levels and citizens through various means such as public forums, village meetings with citizens, council meetings, WCCC meetings, CCWC meetings, administrative work meetings, seminars, meetings, training courses, and other related events.
- The implementation of the NP2 is carried out through AWPB and Joint Decisions, which is formulated and made between the NCDD and 47 implementing agencies, including 22 ministries and related agencies and 25 provincial and municipal administrations. The AWPB of the capital and provincial administrations includes some budgets of line departments and units related to core activities of the reform work.
- Meanwhile, on average, development partner projects supporting the implementation of the Second Framework Programme numbered 13 projects per year from 2021-2025, with a total budget of over US\$199 million, including CNP/WB, ISAF/WB, ISAF/CSOs, NALSA/ADB, SNIF/ADB, STA/UNDP, ISD/GIZ, LGCC/UNCDF, Empower/UNEP etc.
- More than 250 policies, laws, regulations and manuals developed and put in place from 2021-2025 (See Annex 5)
- The activities of the AWPB are mostly related to capacity development and are in line with the needs of sub-national administrations. The promotion of gender equality, social inclusion and equity is fully integrated into the AWPB.
- The leadership, coordination, and implementation of D&D reform during the NP-II has seen positive developments in collaboration with civil society organizations in providing social services such as promoting maternal and child health, child support nutrition, and promoting gender equality, social inclusion, and equity, which have been fully integrated into the annual action plan of the NCDD, as well as the annual action plans and budgets of sub-national administrations.
- During the implementation of the NP-II, with support from UNDP, the NCDD coordinated with ministries, institutions, sub-national administrations, development partners, civil society organizations, and the private sector conducted a number of necessary assessments and surveys to have a clear basis for promoting, strengthening, and improving the implementation of the NP-II, as well as the implementation of D&D policies in the future. These key assessments and surveys include:
 - The end evaluation of the NP-I, which is an in-depth evaluation focusing on the progress of the expected results and the analysis of the impact of the implementation of the NP-I on the livelihoods of the people, contributing to poverty reduction, as well as contributing to promoting and enhancing national economic growth. The evaluation also compiled lessons learned from the preparation and implementation of D&D reforms in the real context of Cambodia.
 - A governance survey to develop a baseline governance index, service delivery index, and a baseline capacity index of sub-national administrations was also prepared and implemented in 2025. As a result, the baseline governance index was equal to 0.64, the baseline service delivery index was equal to 0.69, and the baseline capacity index of sub-national administrations was equal to 0.75, a rating of “good”. These baseline indices are the basis for measuring changes in the quality of governance, quality of service delivery, and capacity of sub-national administrations within the framework of D&D reform.
 - A mid-term review of the NP-II was also conducted in 2025. The main purpose of this mid-term review is to reflect on the progress and challenges of implementing

the second phase of the national program over the past five years to serve as a basis for preparing a more effective implementation plan for the next five years (2026-2030).

- The Sub-National Administration Association holds a general assembly every five years, as stipulated in its statutes, to elect the governing body as well as approve other necessary documents, such as amending the statutes, the association's strategic plan for the new mandate has reviewed and approved the structure of its governing body, leadership, executive committee, and national council.
- Association of Khans and Sangkat Councils and the Association of Municipal, District, Commune, and Sangkat Councils have been established in every capital and province and has been working to develop capacity (such as organizing training courses for new members) and support its members, in close collaboration with the capital and provincial administrations.
- The NCDD secretariat led and organized 10 coordination meetings with development partners and civil society organizations on the preparation and implementation of the NP2.

Detailed results achieved under each activity are described in Annex 2 and Annex 3.

B. Priority Activities that Have Not Yet Been Implemented

Based on the annual report on the implementation of the NCDD AWPB from 2021-2025, the priority activity in the first half that has not yet been implemented is:

- Studying options for the future of the NCDD and the NCDD Secretariat.

C. Challenges

In addition to the above achievements, based on the annual report on the implementation of the NCDD AWPB from 2021-2025, the implementation of Component 1 has encountered several key challenges as follows:

- Major challenges that have significantly affected the preparation and implementation of the NP2 include:
 - The COVID-19 pandemic, which has suspended and postponed the implementation of the NP2 until early 2022.
 - The global economic crisis caused by the trade war, created by the United States, has affected state budget revenues, including funds allocated to support sub-national administrations.
 - The recent political crisis over the border problem, which is being caused by Thailand with Cambodia, is greatly affecting the sub-national administration in performing its work, providing services, and developing local facilities for the citizens.
- Regarding knowledge about NP2, overall sub-national administrations are not familiar with the NP2 and IP5-I, but some officials still remember the IP3 program.
- In general, at the sub-national level, the SCDD does not operate, but the work of the NP2 is actively led and coordinated by existing mechanisms.
- Dissemination of information about decentralization and deconcentration reform work to the public through information technology systems such as Website, Facebook, Telegram, etc. is still limited.
- The provincial and capital budgets have included little funding for core reform activities of relevant line departments and units.

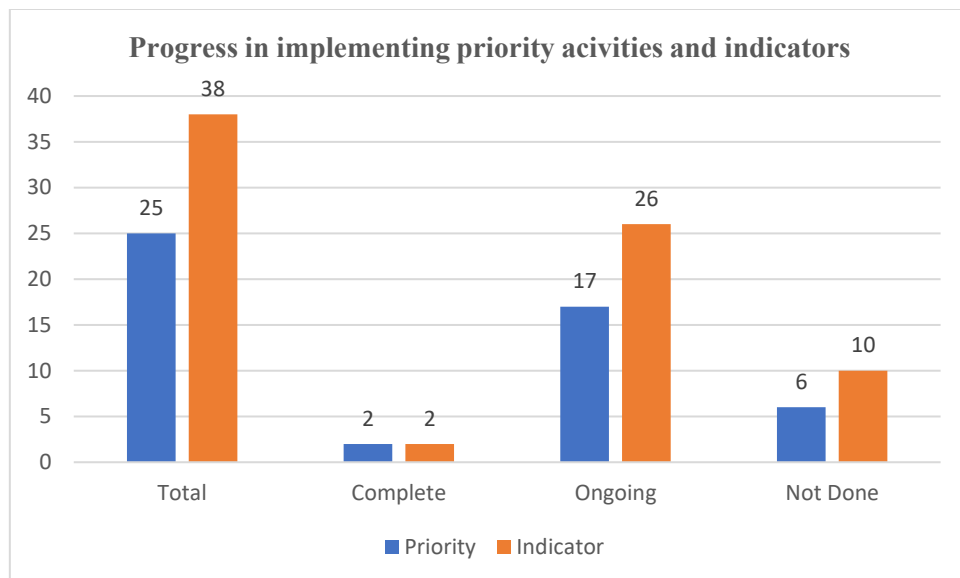
- Sub-national administrations have not held separate coordination meetings with civil society organizations within their jurisdictions.
- Some members of the municipal, district, commune, and Sangkat councils do not yet understand the mission, roles, and responsibilities of the association, as well as the activities that the association has implemented.

5.2.2. Component 2: Structure and Sub-National Administrative Management System

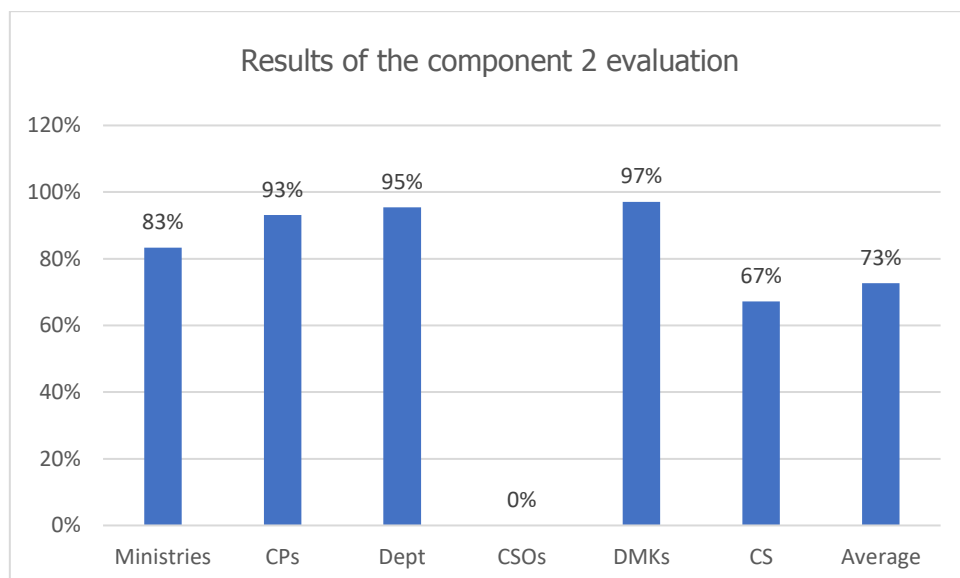
A. Achievements

Component 2 includes 8 expected outputs, 25 priority actions, and 38 indicators.

As of the first half of 2025, 19 priority activities, equivalent to 76%, have been implemented, of which 2 activities, equivalent to 8%, have been completed as planned. 28 indicators out of a total of 38 indicators, equivalent to 74%, have been implemented, of which 2 indicators, equivalent to 5%, have been completed as planned.



Meanwhile, based on the results of individual assessments by various informants at both the national and sub-national levels, the implementation of activities of Component 2 has been achieved at 73% (ratings ranging from average, good, and excellent).



Note: There are no individual questions for civil society organizations evaluating Component 2.

Key results achieved include:

- Overall, ministries, institutions, and sub-national administrations have welcomed and highly appreciated the organization of municipal, district, and Khan administrations to become local administrations with authority and responsibility for both territorial administration and sectoral work in providing public services and local development to citizens. In fact, municipal and district administrations have shown satisfaction and efficiency in personnel management and labor relations under the new structure and system created.
- Similarly, for the health sector, the provincial administration and the health department also confirmed the consistency of the effectiveness of health services provided under the management of the provincial administration.
- The performance and internal relationship between the council and the board of governors, including each sub-national administration units, is working well (Index of internal relationship of the administration is 0.78 points, based on the 2025 Governance Survey).
- Coordination, collaboration, and working relationships between provincial, municipal, district, and commune administrations are working well, and provincial, municipal, and district administrations have regularly inspected and supported communes, especially by attending meetings of commune councils and organizing public forums.
- Social accountability work has been expanded and implemented in 93% of the total number of communes and Sangkats nationwide. Based on the project end-of-project evaluation (October 2024), it shows that 92% of citizens are satisfied and actively participate in improving the performance of work, public service delivery, and local development provided by the three service units: commune and sangkat administrations, health centers, and primary schools.
- The NCDD Secretariat has been studying lessons and experiences from various countries in organizing metropolitan municipalities, regional administrations, and local administrations, including the functions, powers, and responsibilities of those administrations.
- Citizens have been and are actively participating in improving the performance of work, administrative service delivery, public services, and local development provided by sub-national administrations through social accountability work (More than 80% of the informant responses were obtained from the end evaluation in 2024 of the Social Accountability Project).
- At the capital, provincial, and some municipality, district, and Khan levels, the provision of administrative services in some sectors through a one window mechanism is implemented through an online system.
- In general, the budgets and funds of SNAs effectively managed and implemented through an online system (FMIS).
- Some capitals, provinces, municipalities, districts, Khans, and communes have also created and launched information technology systems such as websites, Facebook, Telegram , etc. to promote and communicate their work.
- Mediation and resolution of service complaints are being actively implemented by the Ombudsman Office within the framework of administrative services through a one window mechanism. On average, 80% of complaints filed with the authorities are resolved and resolved annually by the Citizens' Office.

Detailed results achieved under each activity are described in Annex 2 and Annex 3.

B. Priority Activities that Have Not Yet Been Implemented

Based on the annual report on the implementation of the NCDD AWPB from 2021-2025, the priority activities in the second half that have not yet been implemented are 6 activities:

- Examination and improving the structures, functions and resources of the municipality, district, commune and Sangkat administrations that are located in the urban area.
- Examination and reorganization of the structures, functions and resources of the municipality, district, commune and Sangkat administrations that are located in the rural area.
- Review, revise and strengthen working relationships and accountability between sub-national administrations and national administration
- Strengthening working relationships and accountability lines between sub-national administrations at different levels
- Adjust and establish additional committees of the Council of Sub-National Administrations
- Strengthening the Secretariat of the Sub-National Administrative Council.

C. Challenges

In addition to the above achievements, based on the annual report on the implementation of NCDD AWPB from, the implementation of Component 2 has encountered some key challenges as follows:

- Municipal, district, and Khan administrations are facing serious human resource problems, including:
 - Lack of staff, especially in specialized offices
 - Some office staff do not have the skills required for their respective offices.
 - Staff capacity in municipality is limited due to lack of training and capacity building.
 - Professional staff have a lot of responsibility and workload in advance (must be multi-skilled)
 - Many employees will be retiring soon.
- Some offices of the municipality and district administration, such as the Internal Audit Office and the Office of Legal Affairs and Local Dispute Mediation, have not yet implemented any work, without procedures for performing their duties and without knowing exactly what to do.
- Municipal and district administrations have limited budgets for implementing various sectoral work transferred from ministries, departments, and institutions.
- There are two administrative work management systems within a single provincial administration: a system for provincial schools and a system for health departments, and the relationship between these two systems has not been clearly publicized and explained to stakeholders.
- Understanding and implementation of inter-governmental accountability remains low, such as:
 - The provincial, municipal, district, and Khan councils do not yet clearly understand their accountability to the commune and Sangkat councils, which are elected by voters, and vice versa to the commune and Sangkat councils.
 - Accountability between commune and Sangkat administrations to municipality and district administrations...

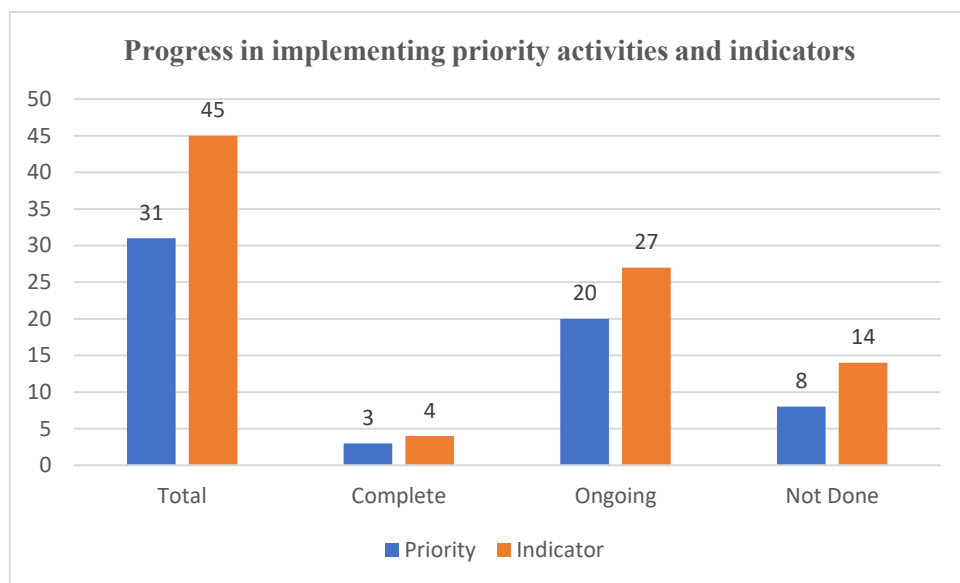
- Overall, the use of information technology in service delivery and work performance remains low.
- The Ombudsman Office has not yet implemented mediation and resolved complaints related to the implementation of sub-national administrative projects due to a lack of staff, and citizens are not yet fully aware of this mechanism.

5.2.3. Component 3: Human Resource Management and Development

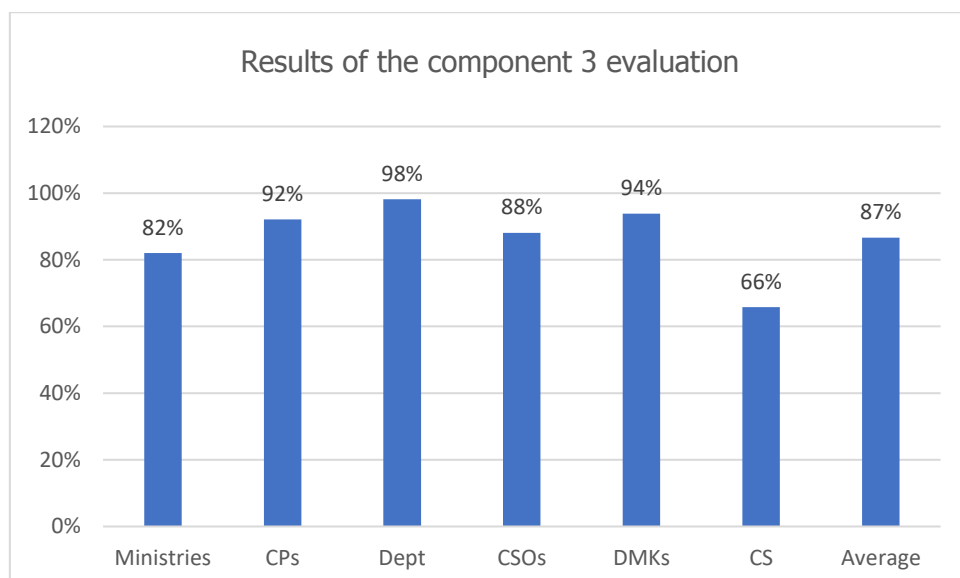
A. Achievements

Component 3 includes 10 expected outputs, 31 priority activities, and 45 indicators.

As of the first half of 2025, 23 activities, equivalent to 74%, have been implemented, of which 3 activities, equivalent to 10%, have been completed as planned. 31 indicators out of a total of 45 indicators, equivalent to 69%, have been implemented, of which 4 indicators, equivalent to 9%, have been completed as planned.



Meanwhile, based on the results of individual assessments by various informants at both the national and sub-national levels, the implementation of activities under Component 3 has been achieved at 87% (ratings range from average, good, and excellent).



Key results achieved include:

- In 2022, the MCS prepared and issued the guidelines on the principles, process and procedures for the management of the CP and DMK staff. After that, in 2023 the MCS issued a sub-decree on the description of the positions of municipality, district, and Khan administrations in 2023
- The provincial administration has prepared the working conditions of each employee based on the instructions of the General Department of Administration, Ministry of Interior.
- The sub-national administration has a broad understanding of gender equality, social justice and equity. Whenever there is an appointment or change of positions, there is always close consultation and participation of the Chairperson of the WCCC/ CCWC and the female Deputy Governor in considering and considering female candidates.
- At the municipal, district, and khan levels, women holding management positions (governor, deputy governor, director of administration, deputy director of administration, and head/deputy head of office): in 2021, there were 18.72%, in 2022, there were 766 people, 19.52%, in 2023, there were 1,686 people, 23.58%, and in 2024, there were 1,651 people, 23.07%, and the capital and provincial levels account for 27.46%.
- Every year, Capital and provincial administrations prepare and implement capamunicipality development activities based on capamunicipality development needs assessments conducted by the National School of Local Administration. On average, CPs implemented over 200 demand-driven training courses with a total number of participants of 6,700 people.
- During the NP2, the National School of Local Administration actively worked on developing the capacity of civil servants of sub-national administrations, in close collaboration with ministries, institutions, development partners, and stakeholders on many topics such as the structure, functions, authority, and roles and responsibilities of sub-national administrations, leadership, gender equality, social climate and equity, planning, social accountability, climate change, etc. On average, the NASLA implemented 35 capacity development activities for sub-national administrations per year, with more than 1,500 participants.
- At the same time, the National School of Local Administration has also prepared and released several manuals on training, functional implementation, and other related topics.
- In addition, sub-national administrations also receive specific training courses organized by various ministries and institutions.

Detailed results achieved under each activity are described in Annex 2 and Annex 3.

B. Priority Activities that Have Not Yet Been Implemented

Based on the annual report on the implementation of the NCDD AWPB from 2021-2025, the priority activities in the third quarter that have not yet been implemented are 8 activities:

- Issuance of civil servant bodies
- Providing incentives to sub-national administrative staff based on performance evaluation results
- Preparation and implementation of guidelines on assessing human resource needs, both quantitative and qualitative. and professional
- Preparing an assessment of the capacity development needs of sub-national administrative staff

- Preparation and implement the annual capacity development plan of sub-national administrations based on capacity development needs
- Establishment of regional training institutions and organize capacity development programs at the regional level
- Encouraging self-study and research to improve the effectiveness of learning
- Preparation and approval of a professional development framework for sub-national administration staff.

C. Challenges

In addition to the above achievements, based on the annual report on the implementation of the NCDD AWPB from 2021-2025, the implementation of Component 3 has encountered several key challenges, as follows:

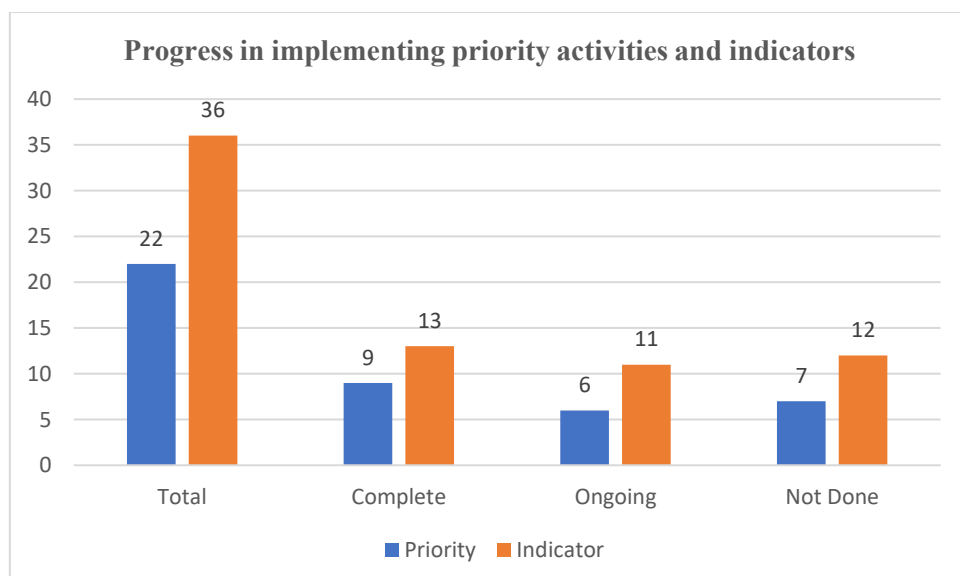
- The working conditions of each employee of the municipal, district, and Khan administration have not yet been prepared in accordance with the sub-decree on the description of the positions of the municipal, district, and Khan administrations.
- The municipality, district, and Khan levels have a serious shortage of human resources, as described in the challenges of Component 2 above.
- Provincial levels lack technical personnel and capacity for municipality, district, and commune administrations to prepare and implement projects and activities.
- The municipality, district, Khan, and commune/Sangkat levels do not have annual capacity development plans.
- There is no budget allocation for capacity development each year.
- The number of training courses provided by the National School of Local Administration to sub-national administrations is still small and does not meet the needs.

5.2.4. Component 4: Fiscal Decentralization and SNA Planning and Budgeting Systems

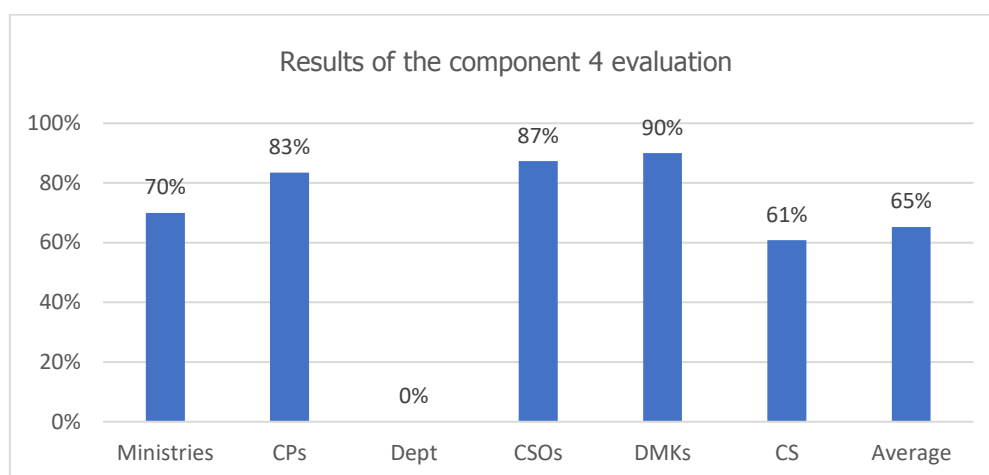
A. Achievements

Component 3 includes 10 expected outputs, 22 priority activities, and 36 indicators.

As of the first half of 2025, 15 priority activities, equivalent to 68%, have been implemented, of which 9 activities, equivalent to 41%, have been completed as planned. 24 indicators out of a total of 36 indicators, equivalent to 67%, have been implemented, of which 13 indicators, equivalent to 36%, have been completed as planned.



Meanwhile, based on the results of individual assessments by various informants at both the national and sub-national levels, the implementation of activities under Component 4 has been achieved at 65% (ratings range from average, good, and excellent).



Note : There are no individual questions for the Line Departments and Units for Component 4.

Key results achieved include:

- The budget preparation process of the sub-national administration is carried out based on the project, activity, and three-year rolling investment program in accordance with the work calendar and established procedures.
- The preparation and implementation of sub-national budgets and funds has been efficiently conducted through the online FMIS system .
- All 25 Capital and provincial administrations have been using the information technology system for managing state assets inventory (SARMIS) , which has been implemented since 2021.
- The distribution of state budget for municipality, district, and commune funds has increased significantly:
 - Municipal and district funds are increasing steadily (from 1.5% in 2023 to 1.6% of current national budget revenue from 2024-2028). On average, municipal and district administrations have development funds of US\$160,000 per year.
 - Commune and Sangkat funds increase from (3.4% in 2023 to 3.5% of current national budget revenue from 2024-2028). On average, commune and Sangkat administrations have a development fund of US\$80,000 per year.
 - Additional resources from the state budget of 1% to communes and Sangkats for local development expenses from 2019 to 2028
 - Municipal, district, and commune funds have clearly defined components for social, sanitation, and environmental services.
 - Municipal, district and commune administrations receive 4% of revenue sharing from the provincial level, while municipalities, districts and communes receive 6%.
- Conditional funds for education sector functions have been transferred to municipality and district administrations and implemented effectively.
- Conditional funds for health sector functions have been transferred to the capital, provincial and district governments and implemented effectively.
- The provincial administration also has funds (at least 10% of the benefit budget) to support social service work.
- The municipality and district administrations also receive funds with certain

conditions attached to them for carrying out other sectoral functions.

Detailed results achieved under each activity are described in Annex 2 and Annex 3.

B. Priority Activities that Have Not Yet Been Implemented

Based on the annual report on the implementation of the NCDD AWPB from 2021-2025, the priority activities in the Component 4 that have not yet been implemented are 7 activities:

- Preparation of strategic documents for sub-national administrations
- Preparation of a strategy to reform the budget system of sub-national administrations for 2026 - 2030
- Strengthening the sub-national administrative fund management system
- Enhancing the authority of sub-national administrations in management Manage and use unconditional transfer resources for service projects
- Review and strengthening the management of sub-national administrative investment funds
- Improving the framework for managing development partner resources provided to sub-national administrations
- Strengthening the public investment management framework that uses own funds of sub-national administrations.

C. Challenges

In addition to the above achievements, based on the annual report on the implementation of the NCDD AWPB from 2021-2025, the implementation of Component 4 has encountered several key challenges as follows:

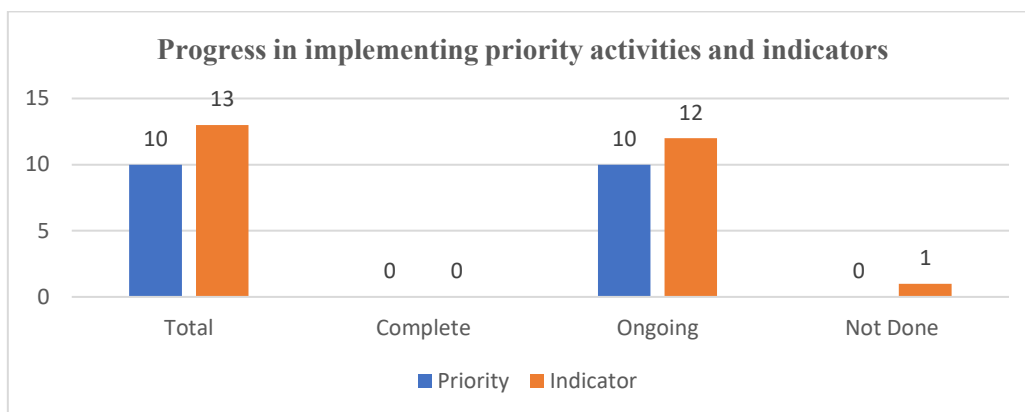
- The Capital and provincial administration has two financial management systems: a financial management system for provincial hall and a management system for the health sector.
- The municipal and district development fund is still small compared to its responsibilities. In addition, funds are allocated to implement several other sectoral functions that have been transferred from ministries and institutions.
- There is little budget for implementing the functions of various sectors that have been transferred to the municipal, district, and Khan administrations, except for the education sector .
- Internal inspection work at the municipal and district levels is not yet underway because there are no instructions for implementing this task.

5.2.5. Component 5: Public Service Delivery and Local Development

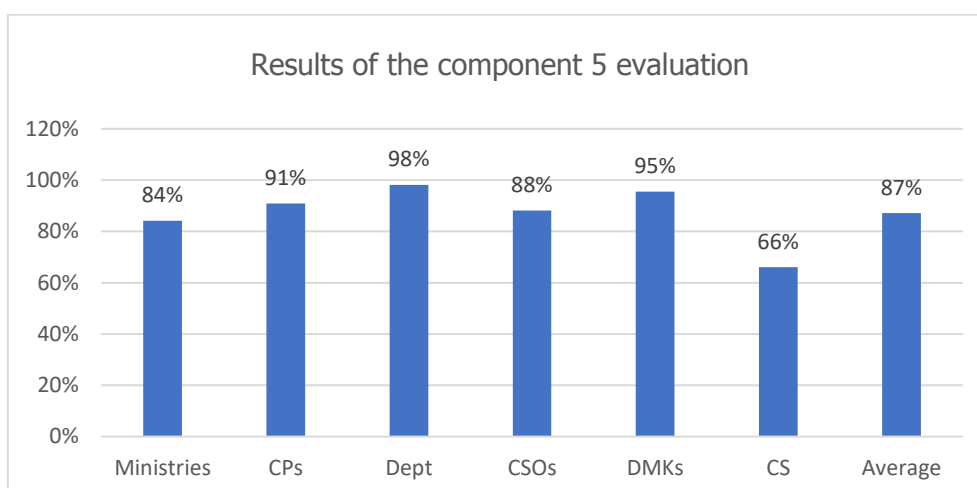
A. Achievements

Component 5 includes 4 expected outputs, 10 priority activities, and 13 indicators.

As of the first half of 2025, 10 priority activities, equivalent to 100%, have been implemented. 12 out of a total of 13 indicators, equivalent to 92%, have been implemented.



Meanwhile, based on the results of individual assessments by various informants at both the national and sub-national levels indicate that the implementation of priority activities under Component 5 has been achieved at 87% (ratings ranging from average, good, and excellent).



Key results achieved include:

- Technical guidelines for implementing functions transferred to sub-national administrations have been prepared and implemented by 8 ministries and institutions, including the Ministry of Public Works and Transport, the Ministry of Social Affairs, Veterans Affairs and Youth Rehabilitation, Ministry of Industry, Science, Technology and Innovation, Ministry of Mines and Energy; Ministry of Tourism; Ministry of Land Management, Urban Planning and Construction; Ministry of Culture and Fine Arts; and Ministry of Education, Youth and Sports.
- Municipal and district administrations are working hard to take responsibility and implement sectoral works within their capabilities and resources. At the same time, relevant line departments and units (E.g. Department of Education, Department of Women's Affairs, Department of Planning, Department of Agriculture, Department of Environment, etc.) have also supported the municipal and district administrations in implementing the transferred functions through training and backstopping.
- The provision of administrative services through the one-window mechanism has been and is being implemented efficiently, transparently, and has received citizen satisfaction. Based on the 2025 Governance Survey of NP2, the service delivery index was 0.69 points, of which the performance index received 0.67 points (poor ranking) and the responsiveness index received 0.74 points (good ranking).
- Social accountability work is being actively implemented in 93% of communes and Sangkats nationwide and in 18% of cities, districts, and khans nationwide. Based on the final evaluation of the Social Accountability Project Phase 2 in October 2024, 92%

of citizens are satisfied with the performance of the three service delivery units, including administrative services, communes, health center services, and primary school services.

- The implementation of sub-national administrative projects (small infrastructure projects and service projects) to respond to the needs of citizens has increased every year. On average, sub-national administrations implement more than 2,600 projects per year.
- Providing administrative services through the one-window mechanism has been and is being carried out efficiently, transparently, and has received citizen satisfaction.
- The implementation of municipal, district, and commune fund projects has increased every year in response to the needs of citizens (an average of 2,000 projects per year).
- Social service projects have been and are being implemented actively and effectively under the leadership and coordination of the CCWC. Some communes and Sangkats have handed over funds for social services, sanitation, and the environment to the CCWC to take fully responsibility.
- The municipality, district, and commune funds have also identified specific social, sanitation, and environmental service components that can be used to support projects and activities related to climate change, disasters, and infectious diseases. Similarly, the provincial and capital administrations also have social service budgets (at least 10% of the benefit budget) to support these projects and activities.
- Inter-ministerial Circular No. 007 between the Ministry of Interior and the Ministry of Economy and Finance, dated April 25, 2025, on the management, administration, and determination of budget expenditures for social services, sanitation, and the environment has been issued for implementation.
- At the same time, the Ministry of Interior is also reviewing and revising various guidelines and manuals related to the preparation and implementation of sub-national administration projects in accordance with the new structures and functions of sub-national administrations, as well as integrating climate change, disaster management, and infectious diseases.

Detailed results achieved under each activity are described in Annex 2 and Annex 3.

B. Priority Activities that Have Not Yet Been Implemented

Based on the annual report on the implementation of the NCDD AWPB from 2021-2025, all priority activities of the component 5 have been and are being implemented.

C. Challenges

In addition to the above achievements, based on the annual report on the implementation of the NCDD AWPB from 2021-2025, the implementation of Component 5 has encountered several key challenges as follows:

- There is still a lack of procedures for providing administrative services transferred from ministries, institutions to municipalities, districts, and Khans.
- There is a lack of guidelines and procedures for implementing many sectoral functions that have been transferred to municipalities, districts, and Khans.
- There are no clear procedures (manuals) for the preparation and implementation of service projects, especially environmental and sanitation projects that are funded by DM Fund and CS Fund .
- Some guidelines and manuals for preparing and implementing sub-national administration projects have not been updated to align with the new structure, roles,

and responsibilities of sub-national administrations and to mainstream inter-sectoral work.

- Most provinces are facing a shortage of technical officers (both in number and capacity) to support municipalities, districts, and communes in preparing and implementing projects.
- In some provinces, studying and preparing commune and Sangkat project documents takes as long as 4-5 months before the commune and Sangkat can announce the bid.
- Lack of monitoring, monitoring and support for communes and Sangkats in preparing and implementing commune and Sangkat fund projects.

5.3. Risk Management and Mitigation

A total of 36 key risks identified in the IP5-I were implemented, of which 34 risks, equivalent to 94%, were implemented, including 13 risks (36%) for which measures were successfully taken to prevent and mitigate them. Progress in risk management and mitigation is prepared and included in the semi-annual and annual reports on NP2 implementation, and the annual report on the implementation of AWPB of NP2 implementing agencies.

Progress in risk management and mitigation is summarized in the table below.

Table 3: Progress in managing and reducing the risks of IP5-I

Components	Number of Risks	Implementation Progress		
		Complete	Ongoing	Not yet implemented
1	4	2	2	
2	9	3	5	1
3	8	4	4	
4	7	2	4	1
5	8	2	6	
Total	36	13	21	2

The measures to prevent and reduce each risk are described in Annex 4.

5.4. Program Budget Implementation

A. Budget Plan

The total budget for the implementation of the NP2 from 2021-2025 is summarized in the table 4 below. In these 5 years, the total estimated budget of NP2 amounting to 28,023,676 million Riels equivalent to 7,006 million US dollars of which the government budget is 27,226,559 million Riels equivalent to 6,807 million US dollars (equivalent to 97.16 %) and the loan and grant budget supported by development partners amounted to 797,117 million Riels equivalent to US\$ 199 million (equivalent to 2.84 % of the total budget) . This total budget including funds to support sub-national government investment and the budget to support core activities of decentralization and deconcentration reform.

Table 4: Budget Plan for the Implementation of NP2 from 2021-2025 (in Million Riels)

No.	Components	Budget			
		Government	Loan	Grant	Total
1	Leadership and coordination of reform	42,889	60,966	38,608	142,463
2	SNA management structures and systems	41,362	0	53,260	94,622
3	Human resource management and development	19,336	30,708	0	50,044

No.	Components	Budget			
		Government	Loan	Grant	Total
4	Fiscal decentralization and planning and budgeting systems	27,094,234	166,025	0	27,260,259
5	Service delivery and local development	28,738	369,691	77,859	476,288
	Total	27,226,559	627,390	169,727	28,023,676
	Percentage	97.16%	2.24%	0.61%	100%

B. SNA Budget Implementation

All sub-national administrations spent a total of 19,124,880 million Riels, equivalent of 4.781 million dollars is 65% of the total budget of 29,431,191 million Riels, equivalent to 7,358 million dollars. This budget does not include 2025 expenses .

The progress of sub-national administrative budget implementation is prepared and included in the NP2 semi-annual and annual reports on the implementation of the NP2 budget.

Table 5 : SNA Budget Implementation from 2021-2025 (in million Riels)

No.	Sub-national level	Budget	Expense
1	Capital Province	17,718,285	11,447,725
2	Municipality, district	6,373,032	3,896,825
3	Commune, Sangkat	5,339,874	3,780,330
	Total	29,431,191	19,124,880

Note: Expenditure figures as of 2024.

C. Implementation of the Core Reform Budget

The total estimated budget of the NP2 budget for core reform activities from 2021-2025 is 741,125 million riels, equivalent to 185 million US dollars, including core reform activities of ministries, institutions and sub-national administrations amounting to 136,793 million Riels, equivalent to 34 million US dollars, and budgets of specific projects and programs of development partners supporting core reform activities amounting to 604,322 million Riels , equivalent to 151 million US dollars, equivalent to 54%. This budget does not yet include expenses for 2025 .

The progress of budget implementation of core reform activities is prepared and included in the NP2 semi-annual and annual reports on the implementation of the NCDD AWPB.

As of 2024, the budget expenditure of the Royal Government Institutions amounted to 79,385 million Riels, equivalent to 20 million US dollars, or 58%, and the budget expenditure of development partners amounted to 327,948 million Riels, equivalent to 82 million US dollars, or 54%.

Table 6 : Budget Implementation of the second core reform from 2021-2025 (in million Riels)

No.	Institution	Budget	Expense
1	Government institutions	136,793	79,385
	Ministry Institution	68,210	47,386
	Capital, provinces and municipalities, districts, Khans	68,583	31,999
2	Development partner projects and programs	604,332	327,948
	Total	741,125	407,333

Note: Expenditure figures as of 2024.

6. Analysis

6.1. Results Framework

A. Vision

The vision has clear meaning and focuses on three points:

- Citizens receive public services and benefits from local development provided by sub-national administrations
- Contribute to achieving economic development goals and national society and
- Transform Cambodia into an upper-middle-income country by 2030.”

However, there are no set indicators and targets to measure and monitor the achievement of this vision.

B. Goal

The main focus is on promoting public service delivery and democratic development ...

According to the 2008 Organic Law, the principles of democratic development include:

- Public representation
- Local autonomy
- Consultation and participation
- Responsiveness and accountability
- Improving the quality of life of local people
- Promoting equity
- Transparency and integrity, and
- Measures against corruption and abuse of power.

In the NP2 document, “local development” refers to the implementation of physical and non-physical projects and activities, and the investments of the private sector at the local level.

The above meaning shows that this goal is broader than the content of the vision and objective, which focus only on “promoting local development”.

Therefore, this goal should be adjusted to align with the vision and objective of promoting “local development...” and with clear indicators and targets.

C. Objective

The focus of the objective is on the establishment of the governance structures and system of sub-national administrations in such a way that they are modern, autonomous, efficient, transparent and accountable for providing public services and local development...

This objective is appropriate and fundamental to achieving the goal of improving public service delivery and local development meaning that the modern, autonomous, efficient, transparent and accountable governance structures and systems significantly will lead to better improved public service delivery and local development. However, the objective does not have clear indicators and targets, which makes it difficult to measure, monitor, and report on its achievement.

D. Outcomes or Components

The five outcomes or components are closely related. Achieving these five components will lead to the achievement of the objective, which is governance structures and systems of the sub-national administrations are modern, autonomous, efficient, transparent and accountable. However, some of

the outcomes have similar meaning and expected outputs statements. Similarly, the results statements are long and difficult to remember, and there is no clear definition of indicators and targets, which leads to difficulties in measurement, monitoring and reporting.

E. Expected Outputs

The expected outputs under each component are important to achieve the specified outcomes of the component. However, as shown in Section 4.1 above, the expected outputs of IP5-I are the same as the expected outputs of NP2, which are 37 outputs. This indicates and explains that there are no expected outputs that should be completed during IP5-I. At the same time, some expected outputs have almost the same meaning as the meaning of the outcomes. Furthermore, some expected outputs are too detailed and similar to each other and can be combined into a single expected output, such as the expected outputs under Components 3, 4 and 5 (see Recommendations).

F. Priority Activities

The identified priority actions are essential to achieving each expected out. However, as shown in Section 4.1 above, the total number of actions in the first five-year plan is 112, which is nearly the same as the total number of priority actions in the NP2 (128).

Overall, the priority priorities are numerous and some are too detailed. Some of them can be combined into a single activity. At the same time, there are no indicators and targets for each priority activity, which makes it difficult to define annual indicators of the AWPB, as well as to measure, monitor, and report on the AWPB implementation.

G. Annual Workplan and Budget (AWPB)

In general, the AWPB with the Joint Decisions, are simple, easy to understand, and developed based on the priority activities of the NP2. In principle, the AWPB includes the core activities of the decentralization and deconcentration reform work to be implemented by the NP2 implementers, including ministries, institutions, and sub-national administrations, but the definition of the core activities of the reform does not seem to be clearly defined. Some sub-national administrations still understand that the activities of the NP2 are national activities that are required sub-national administrations to implement them. In addition, the NP2 does not define the expected outputs to be achieved in each year, that is, the priority activities of the NP2 are used at the expected output level of the AWPB. This makes it difficult to determine the indicators to be achieved in each year, as well as to monitor and prepare reports. Furthermore, the NP2 does not include the activities of line departments and units, and other stakeholders that also implement the core activities of the reform.

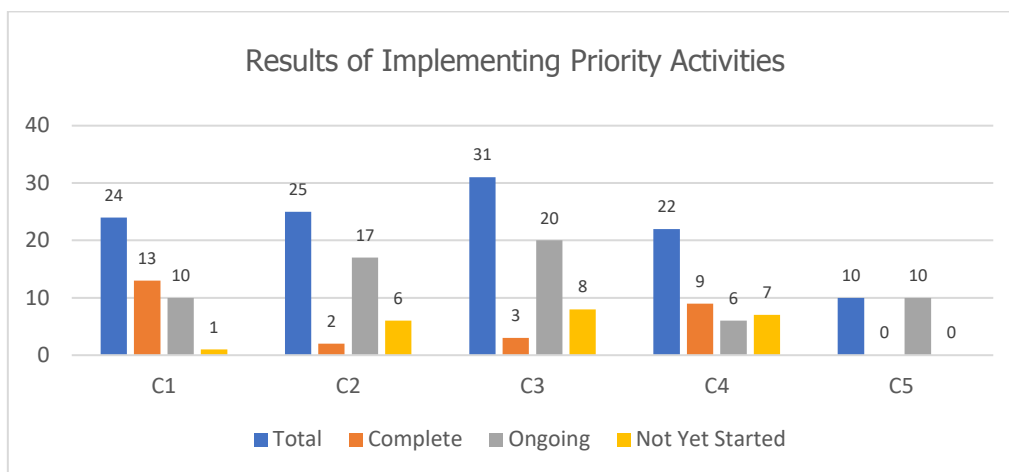
In addition, the mechanisms and systems for monitoring and evaluating the AWPB have not been updated and implemented regularly in order to improve the effectiveness of the management, formulation, and implementation of the AWPB.

6.2. Program Implementation

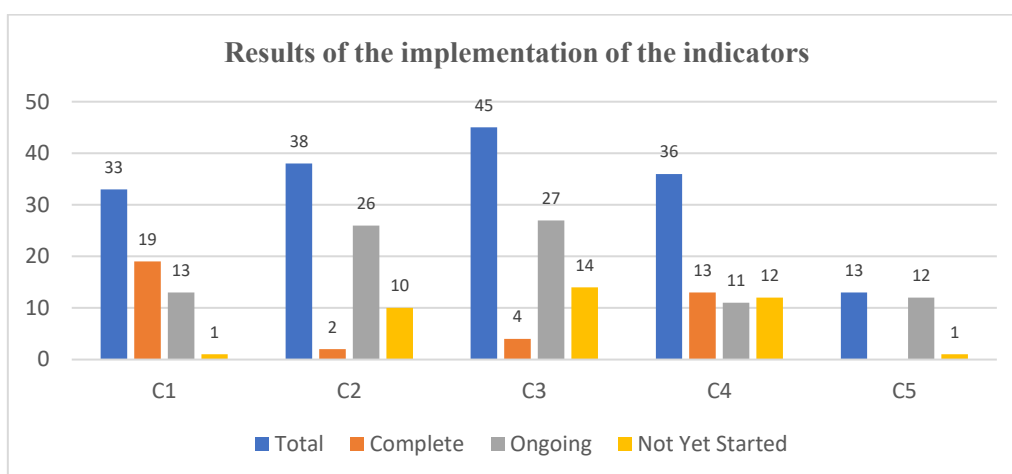
The NP2 document was developed during 2020-2021 and approved in December 2021. Based on the NP2, the IP5-I was prepared during 2021-2022 and approved in December 2022.

During this time, Cambodia, like many countries around the world, has experienced a severe COVID-19 pandemic, which has negatively impacted the implementation of NP2 until early 2022. Therefore, the actual period for assessing the progress of the NP2 is only about 3 years, covering the period from mid-2022 to mid-2025.

As of the first half of 2025, only 27 priority activities, equivalent to 24% of the total 112 activities, have been completed as planned. 63 activities, equivalent to 56%, are ongoing, and 22 activities, equivalent to 20%, have not yet been implemented.

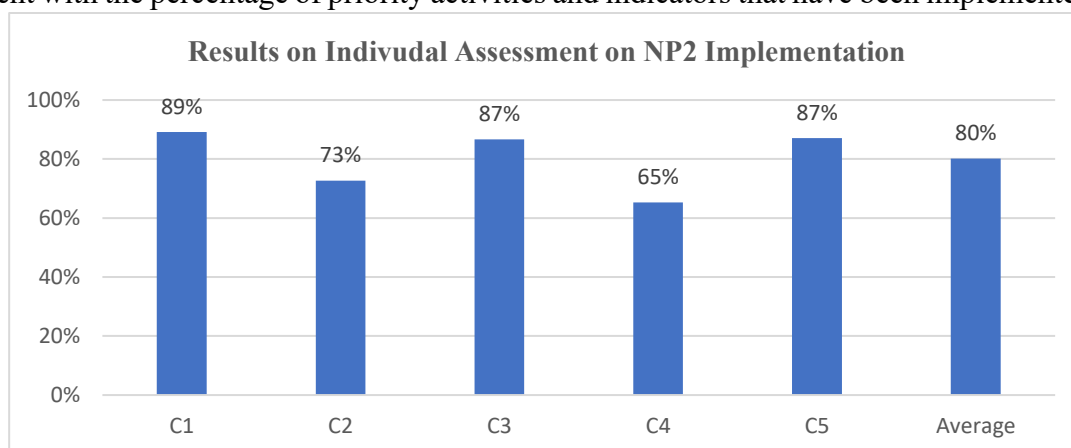


Regarding the implementation of indicators, as of the first half of 2025, only 38 indicators, equivalent to 23% of the total 165 activities, have been completed as planned. 89 indicators, equivalent to 56%, are in progress, and 38 indicators, equivalent to 23%, have not yet started implementation.



In sum, as of the first half of 2025, among all priority activities and indicators, 88% of priority activities and indicators have been implemented, of which 23% of priority activities and indicators have been completed as planned, 55% are in progress, and 22% have not yet started implementation.

Although the percentage of priority actions and indicators completed is low, based on the results of individual assessments, the average implementation of the NP2 achieved 80%. This result is consistent with the percentage of priority activities and indicators that have been implemented (80%).



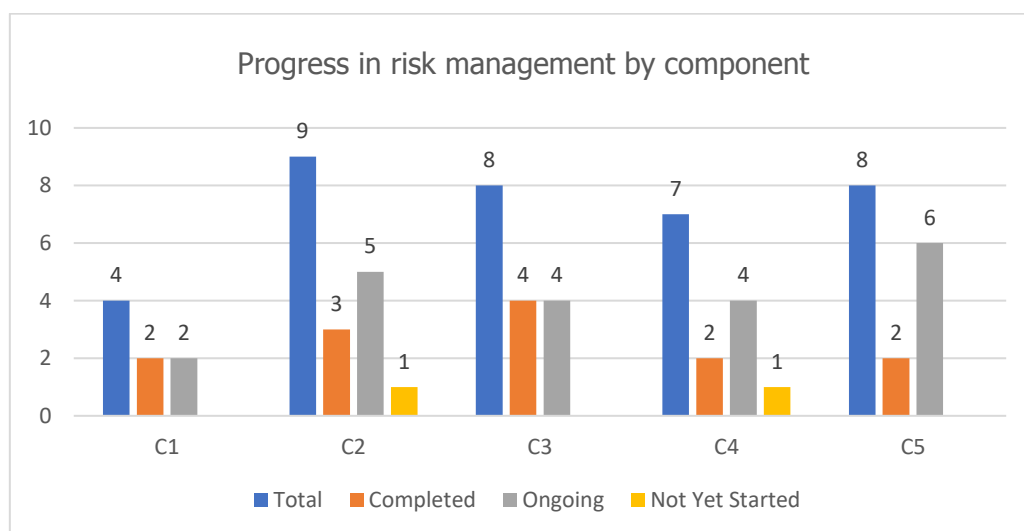
The above results indicate that the implementation of the NP2 from 2021-2025 has achieved positive results, with widespread awareness and understanding among the implementing institutions of the

NP2, both at the national and sub-national levels, including development partners and civil society organizations.

6.3. Risk Management and Mitigation

Overall, the management and mitigation of risks of the NP2/IP5-I are monitored, tracked and updated on a semester basis and presented in the semesterly report on NCDD AWPB. Risk management and mitigation activities are also included in the NCDD AWPB and in the Joint Decisions of the implementing bodies. This shows that the management and mitigation of risks of the NP2 are being taken seriously and implemented on a regular basis.

As mentioned in Section 4.3. above, as of the first half of 2025, 34 risks, equivalent to 94% of the total 36 risks, had been implemented, of which 13 risks (36%) had been successfully prevented and mitigated.



6.4. Budget Implementation

On average, the budget for implementing the NP2 is approximately USD 1,472 million per year, of which 97% is from the Royal Government budget and 3% is from development partners.

This NP2 mid-term review report focuses on the implementation of state budgets by ministries, institutions and sub-national administrations that supported the core activities of the reform. In general, the budget for implementing the core activities of the decentralization and deconcentration reforms is almost entirely supported by the state budgets of ministries, institutions and sub-national administrations through the implementation of Joint Decisions between NCDD and 22 ministries, institutions and 25 capital and provinces. On average, the budget for implementing the AWPB is USD 5-6 million per year in which the national level and sub-national level shared almost the same percentage of 50%. This total budget is similar to the state budget supporting the AWPB during NP1 from 2018-2020 and the budget supported by development partners from 2011-2017 (excluding costs for technical assistance).

Every year, on average the implementation of the budget of the Joint Decisions achieved 70-80%. This shows that the Joint Decision budget is implemented effectively.

7. Recommendations

7.1. NP2 Program Document

Result framework	Recommendation
Vision	Keep the content the same, but set indicators and targets for:

Result framework	Recommendation
	– Citizens receive services and benefits from local development and – Contribute to national economic and social development
Goal	– Change the term "democratic development" to "grassroots development" to align with the scope of the vision and goals. – Edit to make it short, easy to understand and remember: "Promoting public service delivery" and basic development With a friendly attitude Equity "And justice." – Set clear indicators and targets for objectives.
Objective	Edit to make it short, easy to understand and remember: "Structure" And the governance system of sub-national administration is modern. Autonomy Efficiency Transparency and accountability."
Outcomes	– The main content of the achievement should remain the same, but it should be edited to be short, easy to remember, and easy to understand. – Set indicators and targets for each achievement.
Expected outputs	– Consolidate and reduce the number of expected outcomes of the second phase in some components: • Component 1: ▪ Keep it the same • Component 2: ▪ Keep it the same • Component 3: ▪ Expected output 1, expected output 2, and expected output 3 should be combined into one expected output. ▪ Expected output 8, expected output 9, and expected output 10 should be combined into one expected output. • Component 4: ▪ Expected output 1 and expected output 2 should be combined into one expected output. ▪ Expected outputs 3 and 4 should be combined into one expected output. ▪ Expected output 7 and expected output 8 should be combined into one expected output. • Component 5: – Expected output 1 and expected output 2 should be combined into one expected output.
Priority Activity	– Review and reduce the number of expected results and priority actions by grouping together expected results and priority actions that are similar and related. – Review and reduce some activities that cannot be implemented during the NP2. – Review and revise the expected results and priority activities of the NP2 from 2026-2030, focusing on priorities that can support sub-national administrations and citizens affected by the war between Thailand and Cambodia. – Indicators and targets should be prepared for each priority activity to facilitate the preparation of indicators for the AWPB, monitoring, evaluation, and reporting.

7.2. NP2 Implementation

7.2.1. Program Pmplementation

Component 1: Leadership and Coordination of Reform

- Review and adjust the mechanisms and roles and responsibilities of the capital and provincial administrations to include the three governance reforms and strengthen the implementation of these mechanisms effectively or
- Review and adjust the structure and roles of the SCDD by expanding its responsibility for the three governance reform tasks and strengthening the effective implementation of this mechanism.
- Promote the dissemination of the NP2 and IP5-I to ministries, institutions, and sub-national administrations through workshops and meetings, with clear presentations and explanations, so that those institutions can disseminate it further to their own institutions and stakeholders.
- Review and revise the guidelines on the preparation and implementation of the AWPB, including revising the format and content of the AWPB of ministries, institutions, and sub-national administrations, by clearly defining the results and activities to be included in the AWPB. At the same time, annual expected outputs for the AWPB should be determined based on the priority activities of the NP2.
- Strengthen monitoring of progress in implementing the AWPB:
 - Organizing regular quarterly review meetings with ministries, institutions, and Capital and provincial administrations.
 - At the same time, ministries, institutions, and Capital and provincial administrations must also strengthen monitoring and follow-up on the implementation of their AWPB on a regular basis.
- Strengthen monitoring and evaluation of the implementation of the strategic plan on increase of the women number in sub-national administrations.
- Strengthen the implementation of the roles and responsibilities of the Association of Municipal, District, Commune, Sangkat Councils and the Association of Khan, Sangkat Councils at the capital and provincial levels in developing the capacity and supporting their members.
- Strengthen the implementation of the roles and responsibilities of the Local Council Association at sub-national administration levels in developing the capacity and supporting its members.

Additionally, review, revise, and finalize the draft strategy on cross-cutting issues of the NP2 to serve as a basis for inclusion in the IP5-II, including:

- Climate Change Vulnerability Reduction Strategy .
- Strategy on Disaster Risk Reduction and Infectious Diseases.
- E-Governance Strategy.

Component 2 : SNA Management Structures and Systems

- Continue to strengthen and support the municipal and district administrations to improve the implementation of their roles and duties in accordance with the revised structure and functions focusing in particular on reviewing and resolving human resource issues.
- Prioritize and accelerate the preparation and issuance of regulations and guidelines on separate budget packages for councils and committees under the capital, provincial, municipality, district, and Khan councils to enhance the performance of these mechanisms.
- Strengthen and support the implementation of the roles and responsibilities, capacity and human resource of the Ombudsman Office at the capital, province, Municipality,

district, and Khan levels in receiving, mediating, and resolving citizen complaints, both in terms of administrative services and projects of sub-national administrations.

Component 3: Human Resource Management and Development

- Prioritize and pay attention to solving the challenges of municipalities, districts, and Khans, including:
 - Staff shortage
 - The professional capabilities of staff in various technical line offices in accordance with the defined roles and responsibilities
 - Technical instructions and procedures on the implementation of the functions of each technical office (especially the Internal Control Office, Out-Of-Court Dispute Resolution Office, etc.)
- Study options for identifying and appointing technical support officials at DM level to assist the communes and Sangkats in studying and preparing commune and Sangkat fund projects.
- Strengthen the dissemination of documents on the NP2 and IP5-I to ministries, institutions, and sub-national administrations to enhance the effectiveness of participation, support, and implementation of decentralization and deconcentration reforms.
- Sub-national administrations must pay attention to preparing and implementing annual capacity development plans or activities for their employees and stakeholders, and allocate appropriate funds to implement the plans.
- The NASLA, local ministries, and related institutions must strengthen the organization and implementation of training courses and regular refresher courses for sub-national administrations on the implementation of their roles and responsibilities as well as the leadership and practical skills.
- Strengthen the preparation and implementation of training courses for technical support officials in the Capital and provinces on technical standards and templates for studying and preparing commune and Sangkat fund projects.
- Study options for using the private sector in the preparation and implementation of commune and Sangkat fund projects.

Component 4: Fiscal Decentralization and SNA Planning and Budgeting Systems

- Strengthen the implementation of the Inter-Ministerial Prakas between the Ministry of Interior, the Ministry of Economy and Finance, and the Ministry of Planning No. 0149 dated October 7, 2020, on the formulation of the three-year rolling investment program for the capital, provinces, municipalities, districts, Khans, and communes/Sangkats.
- Pay more attention and speed up the formulation and allocation of funds for the implementation of various functions transferred to the municipal, district and Khan administrations appropriately.
- Accelerate the preparation and implementation of guidelines and procedures for internal control work at the municipal level. District.

Component 5: Service Delivery and Local Implementation

- Accelerate the preparation and issuance of instructions and procedures for implementing sectoral functions transferred to the municipal, district, and Khan administrations.

- Review and revise instructions and procedures for implementing sub-national administrative projects and activities in accordance with the new revised structures and functions, and integrate the cross-cutting issues into those procedures.
- Review and revise the technical manual for the commune and Sangkat fund projects to align with the revised sub-national structure and functions and to mainstream climate change, disasters, and other related work.
- Prepare and issue instructions and procedures for implementing projects and activities related to the social services, sanitation, and environment of the sub-national administrations.
- Pay more attention to and strengthen supervision, monitoring, and support the preparation and implementation of commune and Sangkat fund projects.
- Review and revise the membership, roles, and responsibilities of the sub-national disaster management committee by incorporating the responsibility for climate change, infectious diseases, and other related work.

7.2.2. Risk Management and Mitigation

Recommendations for strengthening the management and mitigation of risks include:

- Review and update the risk list every 6 months in terms of progress.
- Every year, the NCDD Secretariat must prepare an annual workplan on risk management and reduction, with appropriate allocation of responsibilities and support budgets to ensure effective implementation of the plan.
- Strengthen supervision, monitor the implementation of management plans, and reduce risks by organizing meetings at least once every 6 months with relevant parties.
- Incorporate and report on the progress of the management plan in meetings of the reform leadership and coordination mechanisms and other relevant mechanisms to review and take remedial action as necessary.

7.2.3. Implementation of the Program Budget

- Strengthen the attention and priority given by leaders of ministries, institutions, and sub-national administrations in allocating funds to support core activities of reform work.
- Strengthen the role of the NCDD Secretariat in reviewing and endorsing the annual budget plans of ministries, institutions, and sub-national administrations for core reform activities before submitting them to the Ministry of Economy and Finance for review and approval.
- Strengthen regular monitoring on the implementation of the AWPB budget.

7.3. Priorities for IP5-II

The key priorities that should be addressed in the IP5-II are included as recommendations above. In addition, other priorities that should also be addressed in the IP5-II include:

- Evaluation on the effectiveness of the implementation of policies, laws and regulations issued by the NCDD Secretariat and other relevant ministries and institutions.
- Study and prepare a strategy on harmonization of the three governance reforms with the Royal Government's safe village-commune-sangkat policy.
- Preparing and implementing a strategy on partnership between the Royal Government, development partners, and civil society organizations in implementing decentralization and deconcentration reforms.

- Study options for establishing the structure, functions, authority, and resources of provincial, municipal, district, and commune/ Sangkat administrations in border areas with the aim of promoting development and maintaining security in those areas.
- Review, revise and update the roles and responsibilities of village officials.
- Prepare guidelines and develop the capacity on skills of sub-national administrations in mediating and resolving out-of-court dispute.
- Study and prepare guidelines to incorporate social accountability into the tasks of the administration units of the Capital, provinces, municipalities, districts, and Khans.
- Include a priority activity on promoting local development in Component 5.
- Preparing and implementing a strategy to promote competitions in performing work, providing services and local development, and the implementation of the safe village-commune/Sangkat policy by the sub-national administrations.

8. Conclusion

Overall, over the past 5 years from 2021-2025, although the implementation of the NP2 has encountered a serious crisis due to the spread of COVID-19, global economic crisis and Thai-Cambodia border war, but it has been actively implemented under the leadership and coordination of the NCDD and with the cooperation and participation of ministries, institutions, sub-national administrations, development partners, civil society organizations, the private sector and various stakeholders, and has achieved many results as planned. In fact, 90 priority activities, equivalent to 80% of the 112 priority activities of the NP2, have been implemented, while 27 priority activities, equivalent to 24%, have achieved 100% according to the plan. 127 indicators, equivalent to 77% of the total 165 indicators, have been implemented, of which 38 indicators, equivalent to 23%, have achieved 100% according to the plan. This result is consistent with the results of individual assessments by informants on the NP2 implementation in each component, which achieved an average of 80%.

Over the past five years, the main results of the NP2 covered the review and adjustment of the structure and composition of the NCDD, including the establishment of subcommittees of the NCDD and the NSDD of the ministries, institutions, and administrations at the Capital, provincial, and district levels to strengthen leadership and coordination of the implementation of the NP2. The NCDD has also coordinated and organized a forum between the Royal Government and sub-national administrations to promote the effectiveness of decentralization and deconcentration reforms. Information on the decentralization and deconcentration reforms related to the transfer of functions, authority, resources, public service delivery, and local development has been disseminated through various means and better understood by sub-national administrations, development partners, civil society organizations, citizens, and stakeholders.

Municipal and district administrations, as local administrations, have actively worked to fulfill their roles and responsibilities in accordance with the revised structure and functions. Similarly, provincial and capital administrations have effectively managed and provided health services provided by the Ministry of Health. At the same time, the NCDD Secretariat is also studying lessons learned to prepare provincial administrations to become regional administrations and Phnom Penh administrations to become metropolitan administration.

On human resource management, a sub-decree on defining professional positions and job descriptions for municipal, district and Khan administrations has been issued, which is the basis for preparing the working conditions of each employee. At the same time, a strategic plan on increasing the number of management positions in sub-national administrations from 2024-2028 has also been

formulated and implemented. Sub-national administrations, especially the chairperson of WCCC, female deputy governor, and the head of the Department of Women's Affairs, have played an important role in providing feedback to the council and the board of governors in the appointment and transfer of employees. Sub-national administrations, especially the Capital and provincial administrations, have organized and implemented regular capacity development activities for their employees. At the national level, the National School of Local Administration has been playing an important role in coordinating and implementing training courses for sub-national administrations in the implementation of their roles and responsibilities and the implementation of functions transferred from ministries, institutions to the provincial and municipal administrations.

In order to improve public service delivery and local development at the sub-national level, the Royal Government has increased the distribution and transfer of state budget to sub-national administrations on a regular basis. In particular, the municipality and district funds have increased from 1.3 % to 1.6 % of the current national budget revenue and commune funds. Sangkat revenue increased from 3.2 % to 3.5% of the national budget revenue from 2021 to 2028) . On average Commune administration The commune has a development fund of \$80,000 per year and the municipal administration The district has a development fund of \$160,000 per year from 2024-2028. With this fund, the municipal, district and commune administrations have implemented approximately 3,000 small-scale infrastructure and social service projects per year to meet the needs of local citizens. At the same time, the capital, provincial, municipal, district, Khan and commune administrations have been providing administrative services through the single-entry mechanism (approximately more than 800 types) actively, efficiently, transparently and qualitatively, and have received great satisfaction from citizens.



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