Annual Report

Strengthening Governance and Accountability

Financial Year 2009

Cooperative Agreement No. 442-A-00-05-00007-00

Pact Cambodia • 10 November 2009

ANNUAL REPORT FY2009

PACT CAMBODIA

USAID COOPERATIVE AGREEMENT NO. 442-A-00-05-00007-00

ANNUAL REPORT FY2009

YEAR 4 – OCTOBER 2008 TO SEPTEMBER 2009

STRENGTHENING GOVERNANCE AND ACCOUNTABILITY:

- COMPONENT I: LOCAL GOVERNANCE AND REFORM
- COMPONENT II: MAINSTREAMING ANTI-CORRUPTION FOR EQUITY

Cover Picture: *A financial spot check of Kampong Chak Commune Council*

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ACRONYMS

ACAT	Anti-Corruption Advisory Team
ACU	Anti-Corruption Unit
ACL	Anti-Corruption Legislation
CAEP	Commune Action and Effectiveness Process
CBI	Clean Business Initiative
CBO	Community Based Organization
CC	Commune Council
CCPA	Commune Council Performance Assessment
CCSP	Commune Council Support Program
CIP	Commune Investment Plan
CMC	Commune Mobilizing Committee
CoCSOAC	Coalition of CSOs against Corruption
CRRT	Cambodians for Revenue and Resource Transparency
CSO	Civil Society Organization
D&D	Decentralization & De-concentration
DANIDA	Danish International Development Assistance
DAT	Decentralization Advisory Team
DOLA	Directorate of Local Administration
EITI	Extractive Industries Transparency Initiative
ExCom	Executive Committee
FGD	Focus Group Discussion
FOI	Freedom of Information
GTZ	German Agency for Technical Assistance
LAAR	Local Administration and Reform Program
MAE	Mainstreaming Anti-Corruption for Equity Program
MOF	Meeting Observation Form
MOI	Ministry of the Interior
MONASRI	Ministry of National Assembly, Senate Relations and Inspection
NAWG	National Accountability Working Group
NCDD	National Committee for the Management of Decentralization and De-concentration
NGO	Non-Governmental Organization
NLC/S	National League of Communes and Sangkats
NLO	NGO Liaison Office
PAWG	Provincial Accountability Working Group
PIM	Project Implementation Manual
PMP	Performance Management Plan
PNGO	Partner Non-Government Organization
RGC	Royal Government of Cambodia
SDP	Social Development Project
SGA	Strengthening Governance and Accountability Program
TOR	Terms of Reference
USAID	United States Agency for International Development
USG	United States Government
WfP	Women for Prosperity
WGPD	Working Group for Partnership in Decentralization

INTRODUCTION

The "Strengthening Governance and Accountability" (SGA) Cooperative Agreement implemented by Pact Cambodia includes two components: The Local Administration and Reform (LAAR) Program and the Mainstreaming Anti-corruption Equity (MAE) Program. This report provides an annual overview of program outcomes, changes in the policy environment and key challenges for the financial year of 2009 (FY2009).

On September 27, 2005, USAID awarded $14,379,199 to Pact Inc., under Cooperative Agreement no. 442-A-00-05-00007-00, for the implementation of the LAAR Program in Cambodia. The LAAR Program primarily focuses on commune councils (CCs) and commune-level civil society groups to enhance local democracies (and by implication local development). The LAAR program achieves this by building linkages between citizens, local governments and the national government; increasing public participation in commune planning and the 'decentralization and de-concentration' process; and institutionalizing democratic and good governance principles and practices in local administrations.

In August 2006, this Cooperative Agreement was modified to include the MAE Program and the award amount was increased by $4,278,751. The MAE Program works at multiple levels to curb corruption in Cambodia by improving knowledge and awareness of corruption issues, developing skills and resources to counter corruption, effecting behavioral change, and increasing demand for changes in the legal framework of Cambodia that support transparency, accountability and anti-corruption practices.

On September 3, 2007, a further modification was issued to Pact's Cooperative Agreement which amended the program description. This amendment integrated the LAAR and MAE Programs into the current SGA Program with a total award under this amendment of $18,657,870.

ANNUAL REPORT SGA COMPONENT 1 FY2009

LOCAL ADMINISTRATION AND REFORM PROGRAM (LAAR)

"I enjoy my life more [as CMC member] because I have found myself useful to my community"
Mr. SAM Long
CMC, Tuol Taek commune, Battambang
2 January 2009

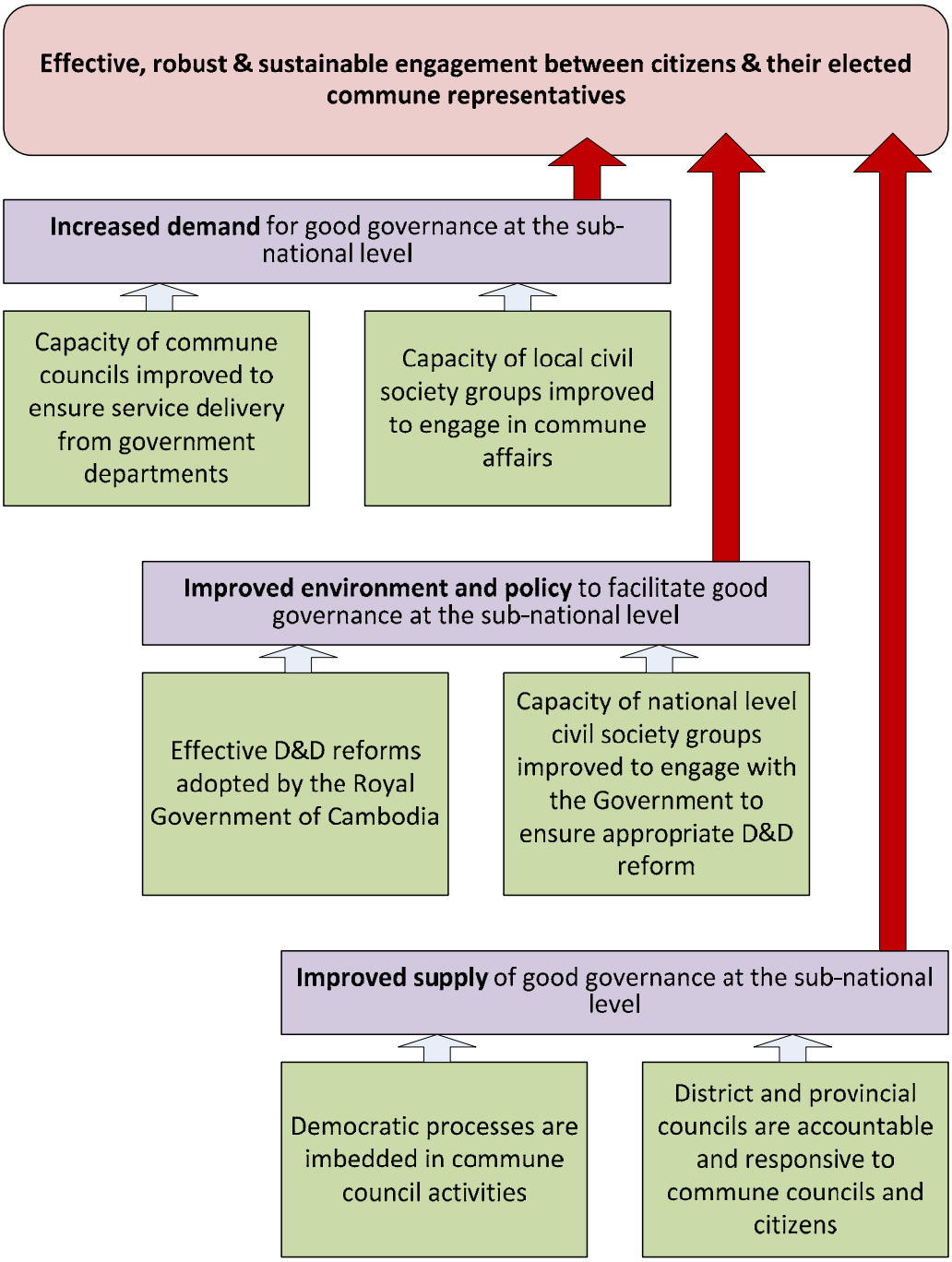
"I am happy to be selected by as CMC member…I have experience in mobilizing villagers to attend commune council (CC) outreach activities and I attend CC monthly meeting to raise the needs of villagers to them and pass the information back to the villagers on return."
Miss. KHIM Pao
CMC, Daeum Rues commune, Kandal
13 October 2009

LAAR OVERVIEW

LAAR AT-A-GLANCE

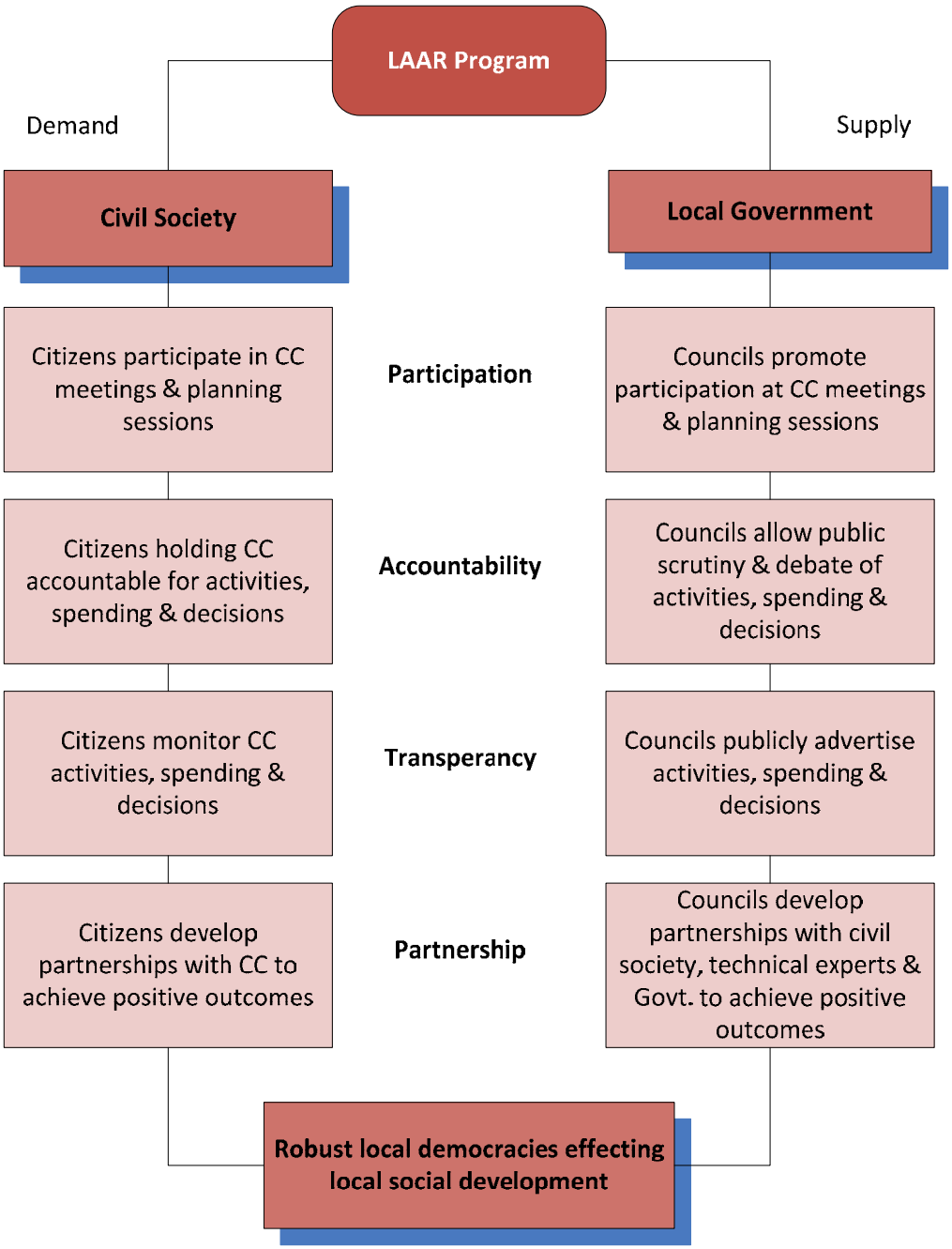
Agreement	• **Cooperative Agreement no.:** 442-A-00-05-00007-00 • **Period:** 2005-2010 (5 years) • **Start Date:** 1st October 2005 • **Amount:** $14.4 Million
Reach	• 13 Provincial NGOs • 8 provinces, 356 communes with a population of 3,167,357 people (1,544,279 men & 1, 623,253 women) across 3,389 villagers (643,626 families) • 3164 commune council (CC) members (2742 male & 422 female) from 356 commune councils • 3955 community monitoring committee (CMC) members (2207 male & 1752 female) from 356 communes
Goal	• Effective, robust, and sustainable engagement between citizens and their elected commune representatives
Objectives	• Increase democracy and participation at the sub-national level • Build horizontal and vertical links between citizens, local government and national government • Increase public participation in the Commune Investment Planning and Decentralization & De-concentration process
Cross Cutting Themes	• Good governance – emphasis on transparency, accountability, participation and partnership • Gender – ensuring equitable participation by women and increasing representation • Natural resource management
Key Results	• Awarded a total of 654 social development projects, with 40% matching funds • 3,164 commune council members capacity improved • 356 community mobilizing committees established with 3,955 members • Outreach activities undertaken in 356 communes • Citizen Satisfaction Survey completed – approx. 2,730 respondents across 130 communes • 2,260 village notice boards & 169 billboards installed • Partnership with Ministry of Interior, Ministry of Economy and Finance, National Treasury, Commune Council Support Program, Working Group for Partnership in Decentralization and National League for Communes/*Sangkats* enhanced • 356 commune council bank accounts operating • Partnerships with 8 provincial & 38 district level authorities enhanced • 47 Female Councillor Forums facilitated, and the capacity of female councillors enhanced • 186 PNGO staff and 68 staff capacity enhanced

LAAR MODEL OF CHANGE

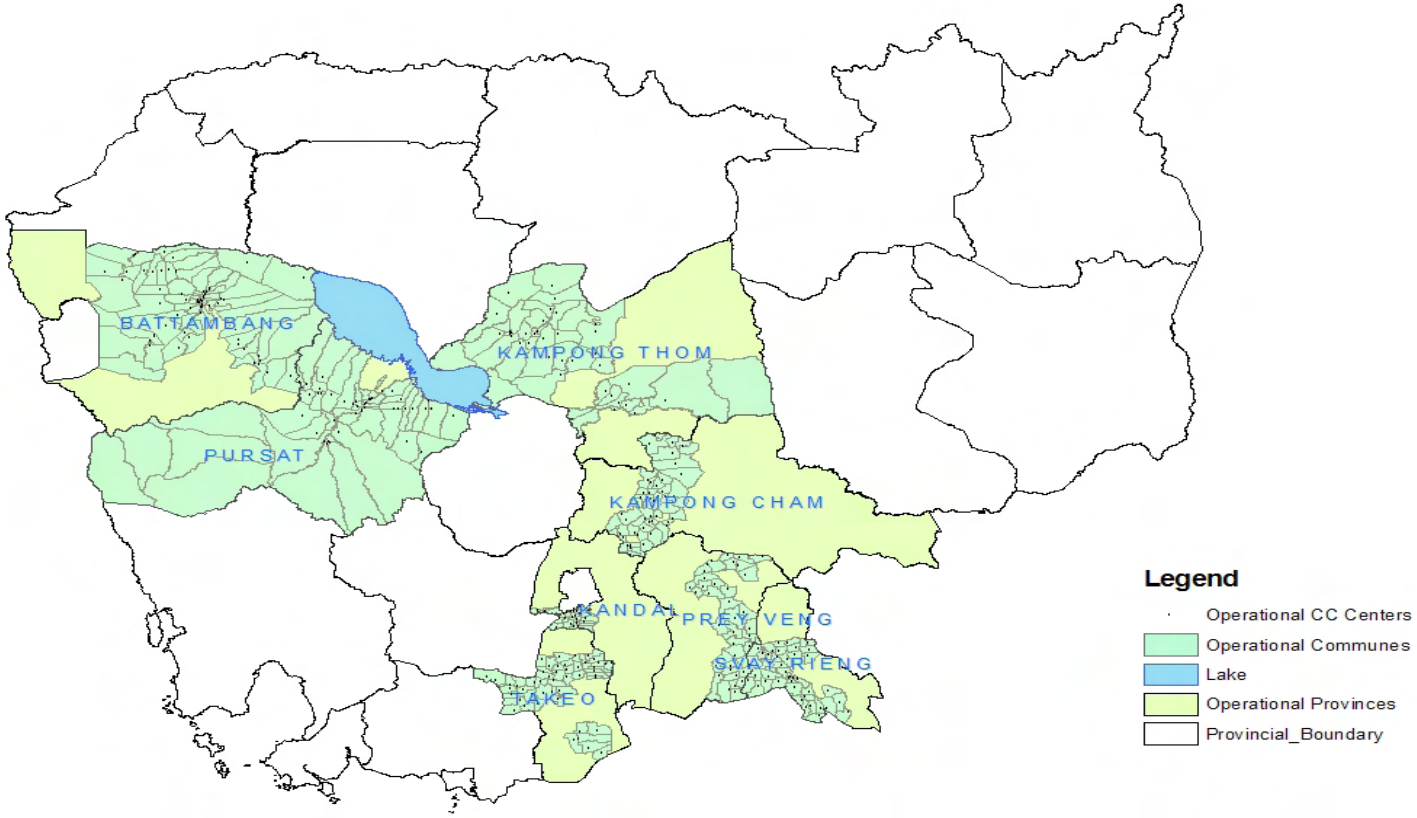


LAAR GOOD LOCAL GOVERNANCE MODEL

Under lying LAAR's Model of Change, is a Model for Good Local Governance in Cambodia:



LAAR OPERATIONAL COMMUNES MAP



LAAR DETAILED PROGRAM OVERVIEW

The goal of the LAAR Program is to promote effective, robust and sustainable engagement between citizens and elected commune representatives. This is pursued through three objectives:

- Build sustainable horizontal and vertical links between citizens, local government and national government ;
- Increase public participation in the CIP and D&D reform processes;
- Increase and institutionalize participatory development processes and democratic practices within sub-national Government.

Expressed more simply, LAAR's objectives are to increase the demand for good governance by citizens and commune councils, improve the policies that shapes the environment within which local governance is developed, and improve the supply of good governance by commune councils to their citizenry.

LAAR has progressively expanded the geographical scope of its coverage from 69 communes in 2006, to 230 communes in 2007 and 356 communes by the beginning of 2008. LAAR has continued to operate at full coverage for the entire period of financial year 2009. LAAR's implementation model, which emphasized rapid territorial expansion and early grant-making, was designed to provide a platform for meaningful inputs to the decentralization and de-concentration policy process.

At the grassroots level, thirteen provincially-based partner non-governmental organizations (PNGOs) implement the program under sub-grants. PNGOs and LAAR staff have provided extensive training and technical assistance to build commune council, community based organization (CBO) and citizen awareness of good governance practices, focused on civic participation, partnerships between government and civil society, transparency of local government activities and budgets, and accountability of local government to its citizens for decisions made and actions taken.

Sub-grants to commune councils, managed directly by the commune councils through accounts in the commercial bank ACLEDA, provide support for expanded commune council community outreach and small scale social development projects undertaken to address priority community needs identified through a participatory identification process. Social development projects funds granted to communes are conditional on the commitment by the commune council of 40% co-funding, sourced primarily from the Royal Government of Cambodia's (RGC) Commune/*Sangkat* Fund. Working with Ministry of the Interior, the Ministry of Economy and Finance, and the National Treasury, LAAR has developed and piloted new procedures for the use of commune/*sangkat* funds which provide commune councils expanded flexibility in the use of official development resources to respond to priority community needs extending beyond infrastructure.

Working at both national and sub-national level with a variety of stakeholders (central, provincial and district government officials, national and provincial NGO partners, commune councils, and civil society groups) LAAR has worked to create opportunities for commune councils to begin to address social development issues using Government resources, and to establish necessary preconditions for sustainable engagement to take place. Without the power to adequately address citizens' concerns, including concerns relating to social development issues, commune councils will have only a limited foundation upon which they can engage with citizens, and therefore limited prospects for sustaining engagement with the communities they are elected to serve. In parallel with this "supply-side" work, LAAR has also worked on the "demand-side" to strengthen citizen engagement and

community oversight of commune council performance through the creation of Community Mobilizing Committees (CMCs) which provide a mechanism for expanded citizen engagement and greater community awareness of commune council activities.

LAAR has played a lead role in suggesting revisions to the Government's project implementation guidelines to ensure that commune councils can adequately respond to social development issues in their communes. Complementing these national level efforts has been capacity building of both national and provincial partner organizations to provide training and technical assistance to commune councils enabling them to independently and appropriately manage external donor funds in responding to the issues of their constituents.

EVOLVING POLICY ENVIRONMENT

The *Law on Administrative Management of Capital, Provinces, Municipalities, Districts and Khans* (or "Organic Law") was promulgated in May 2008. It provides a legal basis for both elected councils and "unified administration" at provincial and district levels complementing the *Law on the Administration and Management of the Commune/Sangkat*, adopted in 2001. Also promulgated at the same time was the *Law on Elections of Phnom Penh Capital Council, Provincial Council, Municipal Council, District Council, & Khan Council* which establishes that members of provincial and district councils will be indirectly elected on the basis of proportional representation from party lists. Taken together, these laws contribute to the further elaboration of administrative structures and authorities at the sub-national level, but reflect relatively weak accountability relationships between the electorate and emerging sub-national institutions. A critical task will be to advocate for a strengthening and clarification of accountability relationships (both downward accountability to commune councils and by extension citizens, and horizontal accountability between commune councils and centrally appointed administrators at respective levels of councils), as subsidiary regulations are drafted.

Substantial progress has been achieved in laying the foundations for deepening of D&D reforms, and in developing capacities for a substantially increased sub-national role in service delivery and poverty alleviation, however much remains to be done to support the Royal Government of Cambodia (RGC) in achieving the vision laid out in the Rectangular Strategy, National Strategic Development Plan, and D&D Policy Framework, in particular the coming implementation of the National Program for Sub-National Democratic Development 2010-2019.

In 2010, the Royal Government of Cambodia (RGC) announced total of 93 million dollars mobilized for D&D reforms for 2010, 40% of which will come out of RGC coffers. A total of 71 million (77%) is earmarked for the sub-national administrative bodies to implement their decentralization and de-concentration reform activities in 2010.

The Royal Government, ***H.E. Sar Kheng, Deputy Prime Minister, Minister of Interior and NCDD's Chairman***, reiterated the government's political commitment that this year, saying that *"the strategic vision is to establish an administrative system of the Capital, provinces, khans, districts, communes and sangkats based on the principle of democratic participation. Also, the system must ensure transparency and accountability in order to improve local development and provision of public services in response to the needs if the citizens, and to ultimately contribute to poverty reduction at local levels."*

The Royal Government's NCDD is currently focusing on six priorities in D&D reform effort including: (1) transferring functions to local administrative bodies to ensure effective and timely provision of public services to local population in order to contribute to poverty reduction; (2) transferring public assets and finances to sub-national administrative bodies and ensuring accountable and transparent financial management; (3) developing human resource systems for sub-national administrative bodies, particularly in rural areas, through appropriate incentives and conditions; (4) building the technical capacity of government officials in order for the ministries and agencies to implement new roles and tasks with higher efficiency; (5) promoting good governance at sub-national levels by strengthening their accountability to local people as well as the government; and (6) promoting a collaborative environment between NCDD and the various stakeholders.

LAAR PROGRAM OUTCOMES

Throughout FY2009, LAAR has made progress towards achieving its goal of establishing effective, robust and sustainable citizen engagement with their elected commune representatives, by undertaking activities in fitting with LAARs three objectives. Details of how LAAR has achieved this are outlined below.

BUILD SUSTAINABLE HORIZONTAL AND VERTICAL LINKS BETWEEN CITIZENS, LOCAL GOVERNMENT AND NATIONAL GOVERNMENT (INCREASE DEMAND)

LAAR works with citizens and councilors to create a demand for good governance at the local level, in order to building sustainable horizontal and vertical links between citizens, commune councils, district authorities, provincial authorities, national government and technical experts. LAAR achieves this through two broad program activities which are outlined below.

1.1 Assisting citizens to engage in effecting change.

An essential element of an effective and robust local democracy is an aware and engaged civil society who is capable of participating in local affairs and of demanding good governance from their local representatives. In order to foster this demand, LAAR has worked to bring together active citizens at a commune level through Community Mobilizing Committees (CMCs). That these citizens come together voluntarily, with no financial incentives, is an achievement in itself for the LAAR program, and demonstrates a clear desire amongst CMC members to be active in commune affairs and the decisions that affect their livelihoods. However, the creation of a strong civil society at the local in Cambodia is fraught with problems including low-levels of literacy, low incomes, a patrimonial social structure, low levels of confidence, a lack of critical thinking, poor access to transportation and the newness of democratic ideology.

Throughout FY2009, LAAR has worked to build the confidence and skills of CMC members through a series of training programs, the provision of technical assistance, the development of a CMC toolkit, the inclusion of citizens in commune council self-evaluation (CAEP) processes, encouraging community outreach as a regular practice for commune councils and by increasing opportunities for CMCs to network and learn from each other. LAAR has also sought to link poor women to CMCs to increase their voice in commune affairs on a small scale, by linking women involved in a women's empowerment program (WORTH) to local CMCs in three communes.

As a consequence of LAAR's work in this area, CMC have increased their knowledge and confidence to engage with commune councilors.

Despite this LAAR has faced challenges encouraging citizen participation in commune council meetings throughout the year, especially amongst women where rates of active participation have dropped considerably. LAAR believes that this has occurred because of the global economic crisis which disproportionally affects poor women, because as CMC have become more organized men tend to lead the groups and speak at meetings and because LAAR has

increased attention to SDPs which has detracted from its focus on participation over the past year (especially over the last two quarters). Clearly understanding and addressing the reasons for this will be a key challenge over the last year of the program.

Key achievements over FY2009 for LAAR activities focused on citizens include:

- Increased confidence of 3,955 CMC members across 356 communes to engage with their local officials and demand good governance;
- Increased capacity of 3,955 CMC members to understand the purpose of local government, the mandated role of commune councils, the principles of good governance, civic roles and responsibilities, the importance of civic oversight and how to effectively engage with local representatives;
- Development of a CMC tool kit, containing practical information and real life examples, that will help promote effective civic engagement in local government;
- Established connections between three CMCs and 30 women's saving groups to promote greater participation by poor women in commune affairs;
- Established a precedent for community outreach practices by 356 commune councils; and,
- Strengthened citizens' ability to network, promoting local to local learning and information sharing.

During the next year, LAAR will conduct a second citizen satisfaction survey, to better measure the impact that these activities are having.

1.2 Assist commune councils to develop effective partnerships with technical experts and higher levels of government.

In addition to providing commune councils an opportunity to implement the concepts of good governance and practical skills, taught by LAAR, the social development projects (SDPs) also offer commune councils a catalyst for establishing and maintaining partnerships with local technical experts and other levels of government to deal with local issues and/or implement social development projects. Such partnerships are an important aspect of local government for several reasons, the most significant for LAAR being that they offer avenues for increased coordination to address social problems and offer a window for commune councils to demand better governance from higher levels of government. Further through open and transparent procurement processes, commune councils set the agenda for fairer and more transparent governance, which also encourages the local private sector, and other service providers, to demand more transparent processes from sub-national governments.

Over the last year LAAR has provided technical assistance to 356 communes to establish such partnerships with government line departments, NGOs/CBOs and the private sector. A total of 539 contract agreements between commune councils and service providers were signed and 356 communes were assisted to implement transparent procurement processes.

INCREASE PUBLIC PARTICIPATION IN THE CIP AND D&D REFORM PROCESSES (IMPROVE POLICY)

LAAR works at a national level with the Royal Government of Cambodian and civil society groups to ensure appropriate reforms are adopted to better facilitate the commune investment plan (CIP) and decentralization and de-concentration (D&D) reform process. By improving policy, at a national level, LAAR affects change that will be felt at the commune level, which in turn, will foster effective, robust and sustainable engagement between citizens and commune councilors. How LAAR has progressed during FY2009 in this area is outlined below.

2.1 Work with the Royal Government of Cambodia to adopt relevant reforms to facilitate the decentralization & de-concentration process

An important feature of the LAAR program has been the ongoing relationship between LAAR and the Ministry of the Interior's (MoI) Directorate of Local Administration (DOLA). This relationship has enabled LAAR to further reform that has promoted more efficient, participatory and effective local governance, and to share practical experience with the Government. The success of this relationship is evidenced by remarks from the Chair of Executive Committee for the Implementation of LAAR Program, HE Prum Sokha, the Secretary of State of Ministry of Interior, in his closing remarks at a meeting on 25 February 2009:

> *"LAAR has helped demonstrated these [good governance] experiences, best practices, and lessons learned in the Cambodian's context…LAAR helps local authorities and communities to be able to implement the development work by themselves…there is a need to strengthen not only the supply side but also the demand side of governance. LAAR helps adjusting the supply side to answer to the needs of the demand side of governance."*

Key achievements in FY2009 have been:

- Promoted greater policy dialogues and engagement with the civil society networks in the D&D reform process, especially on the civil society's comments to the formulation of the government National Program for Sub-National Democratic Development 2010-2019, in cooperation with the Working Group for Partnerships in Decentralization (WGPD) and the NGO Liaison Office within the Ministry of Interior;
- Provided advisory and technical support to the NGO Liaison office to be a more effective facilitator of civil society and governmental dialogue;
- Supported the publication of quarterly D&D bulletins (with total of 26,100 copies distributed) to promote the sharing of information and experiences with the Government and civil society networks; and
- Provision of technical advice to the National Technical Working Group for D&D policy and guidelines (the D&D Technical Working Group consists of high level government ministry officials and key development partners/donor community).

2.2 Work with National Civil Society groups to better coordinate decentralization and de-concentration reform activities

In addition to working with the Government at the national level, LAAR is also engaged with a number of civil society groups and networks. Through these organizations LAAR aims to increase civil society's voice to demand more responsive reform in the decentralization and de-concentration process.

Key achievements for FY2009 have included:

- The development of an effective working relationship with the National League of Communes and *Sangkats*, with a view to improving their capacity to more effectively engage with the government as the spokes-group for local councilors;
- The sharing of LAAR's governance experiences and lessons learned with the civil society/NGO groups through the Working Group for Partnership in Development (WGPD)'s meetings; and,
- Contributing to formal selection of civil society/NGO representatives to sit at the National Accountability Working Group and participated in the National Accountability Working Group meetings throughout the year.

INCREASE AND INSITITUTIONALIZE PARTICIPATORY DEVELOPMENT PROCESSES AND DEMOCRATIC PRACTICES WITHIN SUB-NATIONAL GOVERNMENT (IMPORVE SUPPLY)

LAAR works closely with commune councils to ensure that participatory development processes and democratic practices are embedded into the commune council's routine work. This will ensure that democratic practices are adopted which will better facilitate robust citizen engagement. LAAR's progress in these activities is outlined below.

3.1 Democratic process are embedded in commune councils activities

The LAAR program model encourages commune councils to adopt the necessary reforms in order to implement social development projects, in response to community concerns and in line with the principles of good governance. Through social development projects, complimented by training and technical assistance, LAAR aims to ensure that commune councilors will have a practical understanding of the role that commune councils can play in enhancing democracy at a local level, will value participation and partnerships, and will provide leadership in the local community in response to pressing social concerns. For many commune councilors, this is a radical departure from previous systems and structures, where top-down approaches to commune development and infrastructure projects were the norm. Changing the behavior of commune councils is no small task; it requires ongoing commitment and assistance, and must respond to highly localized and diverse demands.

Throughout the last year LAAR has worked with commune councilors to demonstrate the benefits of feedback and participation by citizens, encourage the self-funding of community outreach, demonstrate the effectiveness of fair and transparent procurement practices, encourage the development of partnerships, promote local ownership of social issues and social development projects, worked to improve the quality and effectiveness of social

development projects, improved commune councilors technical skills (especially in the areas of transparent financial management) and fostered more accountable decision making. Key achievements have included:

- Increased capacity of 3,164 commune councilors, to better understand their role and responsibility, the principles of good local governance, especially the importance of citizen participation in local affairs;
- Supporting 356 social development projects, that respond to local issues and demands, and have given commune councils practical experience in implementing projects according to the principles of good governance;
- Increased the financial management skills of commune councilors, clerks and accountants;
- Changed the mindset of numerous commune councilors, that social issues are important and that they can respond to social issues in their communes;
- Increased project co-financing by commune councils for social development projects, primarily by leveraging commune/*sangkat* funds, from an average of 41% in FY2008 to 43% in FY2009 (local co-financing had never been attempted in Cambodia prior to LAAR);
- Improved the quality of commune council planning, monitoring and evaluation by enhancing SDP goals, objectives, outputs and indicators, for 356 commune councils;
- Assisted commune councils to self-finance and take ownership of community outreach activities (This demonstrates a change in attitude and behavior by commune councils as a result of the LAAR program, and can be built upon to further ensure that citizens participation in commune investment planning).
- Continued to support 356 commune council to conduct community outreach, aligned outreach results with the Commune Investment Programs (CIPs) and a participatory prioritization for project planning;
- Increased the capacity of 186 local NGO staff to provide training and technical assistance on good governance to councilors and citizens;
- Improved the working relationship between provincial administrations to ensure programmatic goals are achievable and to educate on the principles of good governance; and,
- Supported 28 female councilor forums, in partnership with GTZ and Oxfam GB, to enhance networking amongst 595 female councilors and to ensure a greater voice of women in local affairs. Notably, in July 2009, the Ministry of Interior issued guidelines to provincial administrations to allocate funding for female councilor forums, indicating an acceptance by the Ministry of the importance of female representation and voice.

During the next year, LAAR will conduct a second citizen satisfaction survey, to better measure the impact that these activities are having on councilor perceptions and behaviors.

CHALLENGES

Over the last year there have been a number of challenges for LAAR:

- **Delays in awarding social development projects:** Due to the low capacity and limited experience of commune councils, and LAARs focus on promoting local ownership, the time required for formulating social project proposals took longer than expected. LAAR awarded most social development projects in 2nd quarter 2009, instead of the 1st quarter 2009. The revision of SDP projects to ensure that they integrate clearer goals, quantifiable objectives, measurable project outputs and better indicators contributed to this delay. LAAR will need to work hard to ensure that all SDPs are completed in the shortened timeframe.

- **Balancing support for the demand side of governance:** In attempting to ensure the quality of SDPs LAAR has had to focus much of its resources over the last year on commune councils - this has directly affected the time that LAAR could commit to Community Mobilizing Committees (CMCs) or the 'demand side' of local governance; a crucial component of the good governance equation. Without appropriate capacity development and technical support, the strength of local civil society groups to participate and demand better governance from their elected councilors is limited, especially among women. In time this will impact on the responsiveness and effectiveness of commune councils.

- **Limited capacity and availability of service providers:** There is limited capacity and few service providers for various types of social projects at local level. This has meant that many commune councils have had to negotiate directly with relevant line departments to provide services for their commune social projects, which has made competitive procurement process ineffective in some communes, thus limiting the potential lessons for those commune councils. There is room for LAAR and the provincial administration to encouraging partnerships with community based organizations and to better coordinate local technical expertise to assist in the implement social development projects.

- **Maintaining focus on SDP as means to an end rather than end in itself:** Social development projects are intended to serve multiple purposes within the LAAR design, but are primarily intended to serve as a focal point and catalyst for engagement between citizens and commune councilors. Secondarily, they are intended to leverage an expansion in the range of choice available to commune councils to respond to priorities expressed by citizens as they begin to engage with CCs, and to create a precedent for the use of public funds to address the social needs of communities (in addition to needs related to physical infrastructure). SDPs are not primarily intended to have a measurable or significant impact on social outcomes themselves, but to demonstrate that communes can begin to address such outcomes over the longer term using their own resources.

- **Limited understanding of democracy, governance and corruption:** Despite the efforts of LAAR and other programs, there persists a limited understanding or fear of democracy, governance and corruption among the general population, and more importantly among some stakeholders, including government officials

at the provincial and district levels. There is also limited knowledge and capacity of partner NGOs on government guidelines. At times this slows program progress.

- **District and provincial councils:** The in-direct election of the capital, district, khan, provincial and municipality councils, by commune council members in May 2009 has moved Cambodia's decentralizations reform into a new phase. This evolution will likely bring with it both opportunities and constraints. There is the potential for support to commune councils to be sidelined as the government (and donors) rush to develop the capacity of provincial and district councils. Further district and provincial councils are assigned an ambiguous role in simultaneously supporting and monitoring the performance of commune councils. Given the strong political authority often attached to district administrative officers, it is possible that the district and provinces will play an increasingly directive role, undermining both democratic practices and the principles of good governance LAAR has worked to instill in commune councils.

- **Short term donor commitment to decentralization and de-concentration:** Healthy and robust democracies take a long time to evolve and take hold. Without sustained assistance from the international community, the good work that LAAR and other programs have done, could be quickly undermined by instability, power-mongering and corruption.

- **Political interference:** Recent trends in Cambodia's national politics are the cause of concern for many civil society groups across Cambodia. If this trend continues, the LAAR program (and others) may be vulnerable to political interference.

WAY FORWARD

During FY2010 LAAR will continue to work with 356 commune councils and commune mobilization committees, 38 district authorities, 8 provincial authorities, in partnership with 13 provincial NGOs, as well as the Ministry of the Interior (especially the Directorate of Local Administration), the Ministry of Economy and Finance, the National Committee for Democratic Development at Sub-National levels, the Working Group for Partnership in Decentralization, the Commune Council Support Project, and the National League of Communes/*Sangkats* to:

- Support community (including youth and women) dialogues and initiatives to ensure the sustainability of community mobilizing committee (CMC) functions;

- Complete a pilot of the commune action and effectiveness process across 32 communes, as means for local communities to self-assess and build on their successes, and sell this concept to the Ministry of the Interior;

- Enhance the quality and impact of 365 commune council social development projects (SDPs);

- Explore strategies to ensure the sustainability of social development project outcomes and the model itself;
- Improve the quality of social development project monitoring and evaluation by local communities;
- Provide technical support to commune councils on aligning outreach activities into CIP/DIW and mainstream outreach into commune council operations.
- Promote local to local learning and network opportunities for commune councils;
- Document the 'best practices' of project implementation by commune councils, and use this to improve the Government's Project Implementation Manual (PIM) for local governments;
- Continue to support the NGO Liaison Office (NLO) at the Ministry of Interior (MOI) to take a leading role in ensure the Government continues to engage with civil society in policy dialogues;
- Strengthen and support Cambodian civil society organizations and decentralization and de-concentration networks, including the Commune Council Support Project (CCSP) and Working Group for Partnership in Decentralization (WGPD);
- Share LAAR experiences with the Development Partners and contribute to the feedback for the Government's National Committee for Democratic Development (NCDD);
- Support Women for Prosperity (WfP) to support sub-national Government capacity development to ensure the sustainability of the Female Councilor Forums;
- Support studies which contribute to the good governance practices across Cambodia, including another Citizen Satisfaction Survey;
- Undertake an honest and practical summative evaluation of the LAAR program, including key recommendations for future actions, and share the results with stakeholders.

ANNUAL REPORT SGA COMPONENT 2 FY2008

MAINSTREAMING ANTI-CORRUPTION FOR EQUITY PROGRAM (MAE)

"Thank you very much, Ms. Carol Rodley. ..as a fearful Cambodian, I thankful to have you on our side. The corruption in Cambodia is a threat to the security of its people, and I am one of them. I am hopeful that soon there will be a corruption law passed and enforce for Cambodia."

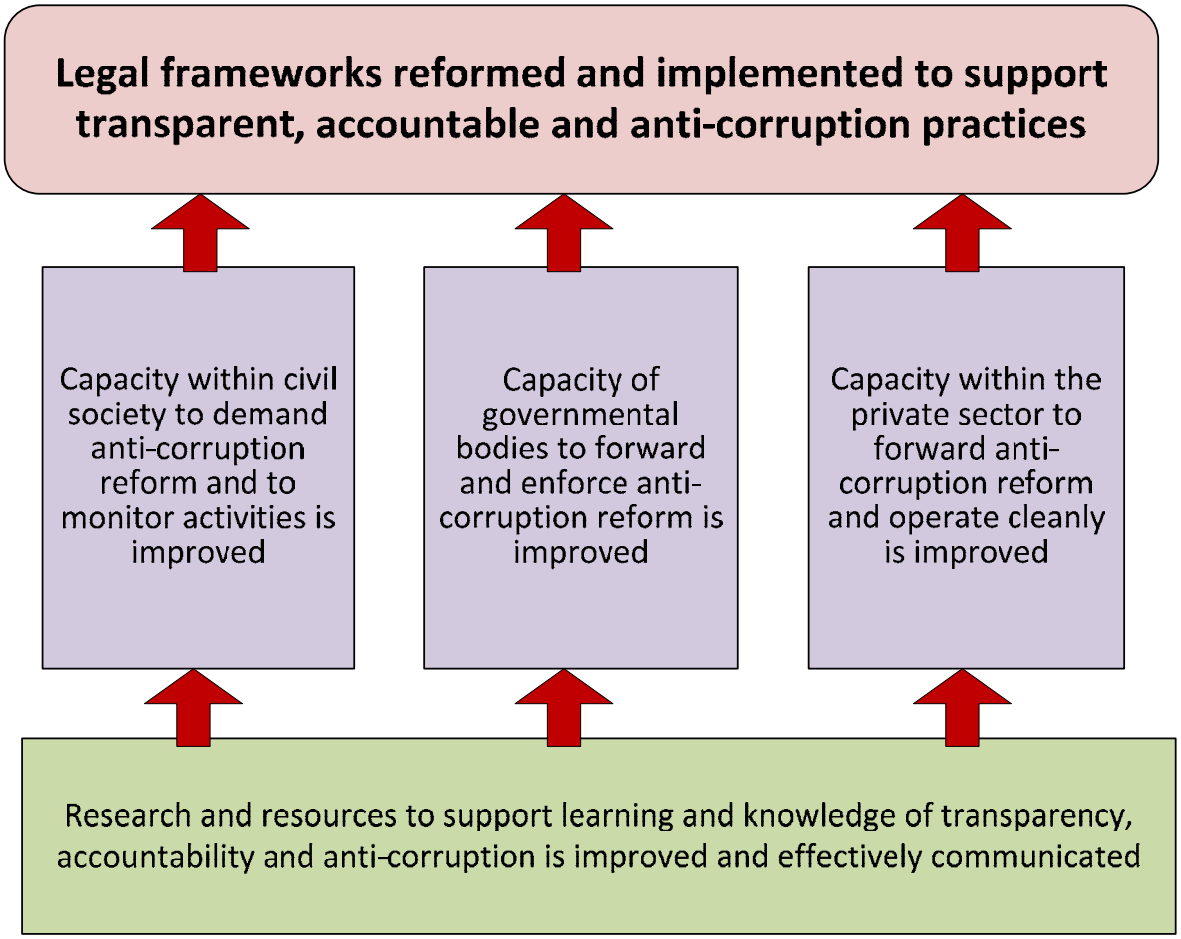
Global Post, 1 July 2009

MAE OVERVIEW

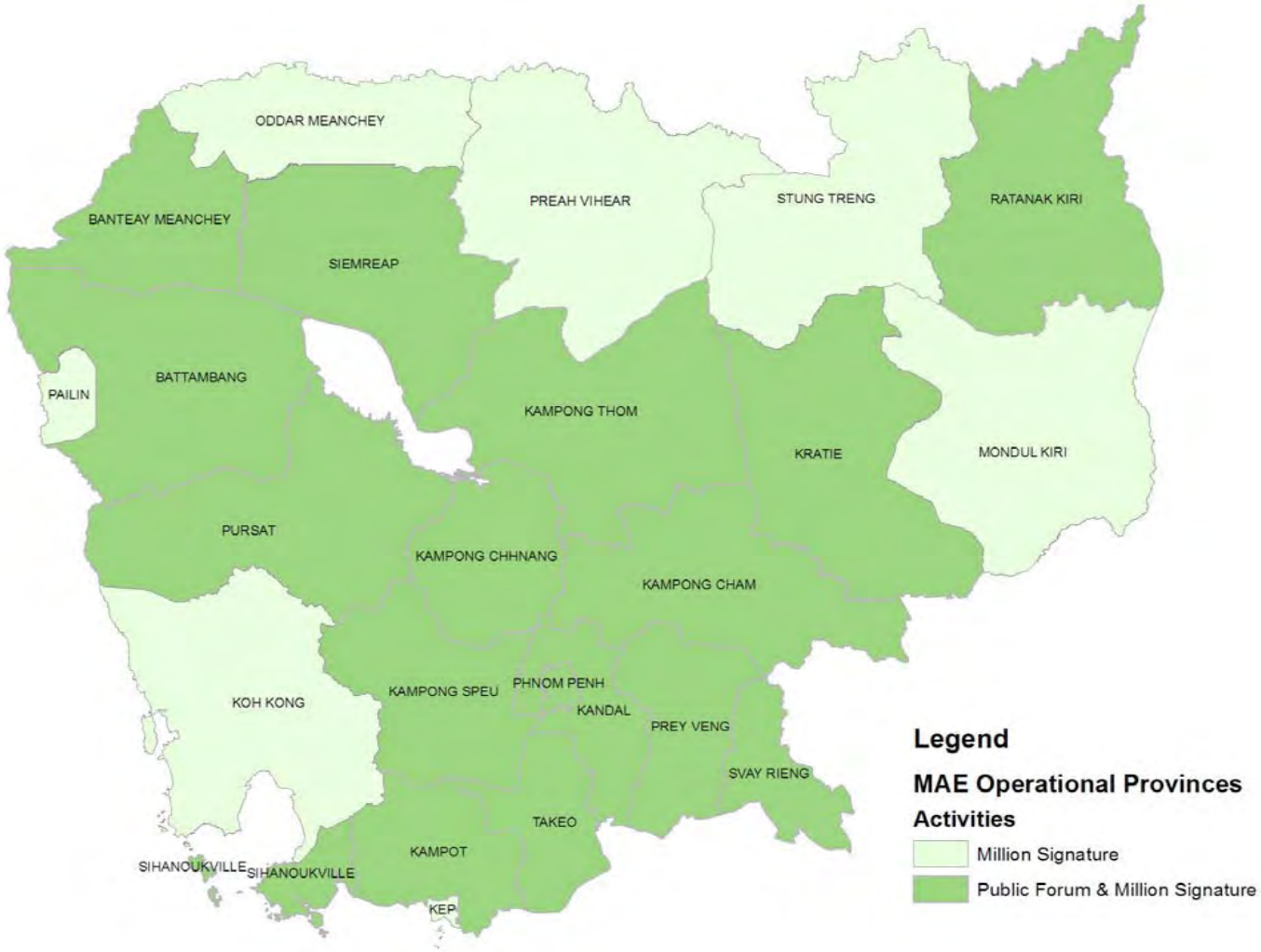
MAE AT-A-GLANCE

Agreement	• **Cooperative Agreement no.:** 442-A-00-05-00007-00 • **Period:** 2006 - 2010 (4 years) • **Start Date:** 1st October 2006 • **Amount:** $4.2M
Reach	• All of Cambodia - 13,400,000 people
Goal	• Expand and accelerate efforts to implement anti-corruption reforms in Cambodia
Objectives	• Increasing political will • Mobilizing and maintaining a critical mass of donors for policy advisory • Further develop sustainability and capacity of the Coalition of CSOs Against Corruption and mainstreaming the Clean Hands Campaign • Mobilize companies to take a stance against corruption • Expand the number of RGC ministries and departments that have a regular partnership with Pact to develop and implement anti-corruption reforms and practices • Develop capacity of investigative reporters working on corruption issues • Develop anti-corruption resources/diagnostics • Mainstreaming anti-corruption in the USAID Portfolio • Cooperation with LAAR • Extractive industry transparency

MODEL OF CHANGE



MAE COVERAGE MAP



MAE DETAILED PROGRAM OVERVIEW

Component 2 of the Strengthening Governance and Accountability (SGA) Program is the Mainstreaming Anti-Corruption for Equity (MAE) Program. Developed as a follow on to Pact Cambodia's Anti-Corruption Coordinated Action Program (ACCAP), the MAE programs goal is to 'expand and accelerate efforts to implement anti-corruption reforms in Cambodia'. It does this by working with the RGC to develop anti-corruption reforms and practices, establishing an independent and sustainable coalition of civil society groups to advocate for anti-corruption reform, mobilizing the private sector to become cleaner and get more involved in the fight against corruption, and developing relevant support materials and research for people engaged in ant-corruption reform.

Due to the nature and sensitivity of the program, MAE has faced considerable setbacks in pursuing its work and has changed both its leadership and objectives numerous times since the inception of the project. This meant a number of changes in directions by MAE in attempting to achieve its goal. Throughout FY2009, MAE sought to pursue ten objectives:

- Increasing political will;
- Mobilizing and maintaining a critical mass of donors for policy advisory;
- Further develop sustainability and capacity of the Coalition of CSOs Against Corruption and mainstreaming the Clean Hands Campaign;
- Mobilize companies to take a stance against corruption;
- Expand the number of RGC ministries and departments that have a regular partnership with Pact to develop and implement anti-corruption reforms and practices;
- Develop capacity of investigative reporters working on corruption issues;
- Develop anti-corruption resources/diagnostics;
- Mainstreaming anti-corruption in the USAID Portfolio;
- Cooperation with LAAR; and
- Extractive industry transparency.

MAE's strategy in FY2009 was to develop anti-corruption research and diagnostics which then fed into improved advocacy campaigns, which would result in improved policy reform.

Activities for MAE have included the training of journalists to report on anti-corruption, the engagement of celebrities and the use of highly public events to highlight the problem of corruption for young people, monitoring of the media for coverage of corruption, the monthly publication of a corruption monitor newsletter, the development of the *SaatSaam* (clean hand) website as a resource centre for anti-corruption information and material, the dissemination of *SaatSaam* education and publicity material, the development of training materials, supported anti-corruption studies and surveys, and the development of networks (private and public) to fight against corruption in different sectors.

EVOLUTION OF THE ENVIRONMENT

A constant focus of the MAE program has been mobilizing support for and monitoring of the passage of the Anti-Corruption Law. This key piece of legislation has faced many delays and setbacks over the last 10 years. However, in this last year of programming MAE hopes to see this important piece of legislation passed. Once the law has passed, this will open up new opportunities for anti-corruption programming in Cambodia; the focus will shift from the passage of the law to the proper enforcement of the law.

During the week of August 20, 2009, the Penal Code was sent to the National Assembly. Consequently, the Assembly debated the Code in September and passage is expected in October 2009. The Royal Government of Cambodia (RGC) has long declared that passage of the Penal Code is a necessary precursor to the passage of the Anti-Corruption Law (ACL) thus the introduction of the ACL is expected by the end of this calendar year with its passage not until the next session in April 2010. Unofficially, MAE has learned that approximately three dozen articles from the draft ACL have been included in the Penal Code, but the document is yet to be made public.

PROGRAM OUTCOMES

INCREASING POLITICAL WILL

MAE works towards increasing political will by providing access to information, conducting training and drawing attention to corruption issues through public events. Over the last year, MAE continued to support the *SaatSaam* website as a repository for anti-corruption information and forum for fair and balance debate, supported a Clean Hand Concert to mobilize youth against corruption, supported Anti-Corruption Day events to raise general awareness of corruption issues, initiated a radio talk show to disseminate information about corruption, supported the publication of a the Corruption Monitor to disseminate corruption related material to civil society partners and the government, and hosted a series of workshops to improve awareness and facilitate discussions on corruption issues. While the anti-corruption law remains outstanding, these activities are of cumulative importance in shaping the anti-corruption debate and creating political pressure for the passage of this important piece of legislation.

1.1: *SaatSaam* Website

The *SaatSaam* website has been in effect since September 2007 and acts as a repository of information on corruption, good governance and decentralization issues in Cambodia. There are two versions of the website; one in Khmer language and the other in English language. The website also features a blog, which aims to promote open and balanced discussions of corruption issues.

Over the year a total of 1,684 articles in Khmer and 789 in English were uploaded to the website and the website was promoted through local newspapers, e-mails, NGO networks, posters and stickers around country. Additionally, ten training sessions in Phnom Penh, Kampong Cham and Svay Reing with 327 participants (primarily university, high school students and members of youth organizations) were conducted to promote awareness of the website and encourage its use amongst its key demographic.

As a result of these activities, hits on the website have increased over the year (see chart 1). From January 1 until the September 30, 2009, *SaatSaam* has had 33,589 visitors to the Khmer language site and 7,495 visitors to the English language site, totaling 41,089 visitors, more than half of whom were return visitors. Correspondingly, the number of page views per visitor has also gone up.

Chart 1: Number of visitors to *SaatSaam* website

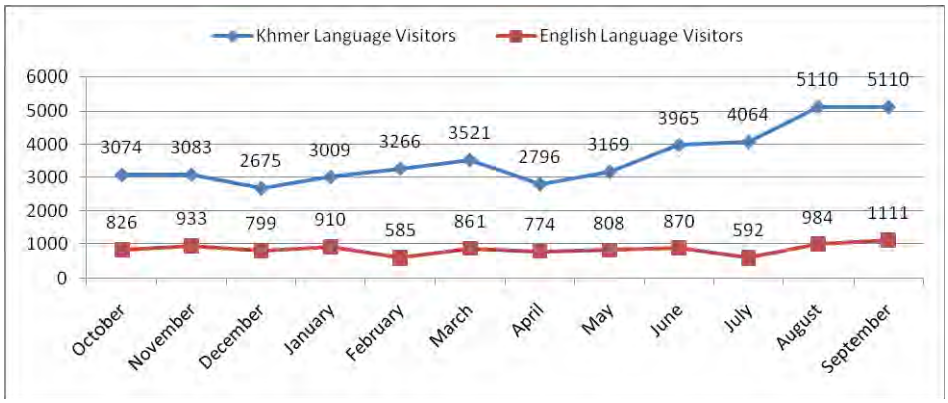


Chart 2: Number of Unique Visitors to *SaatSaam* website

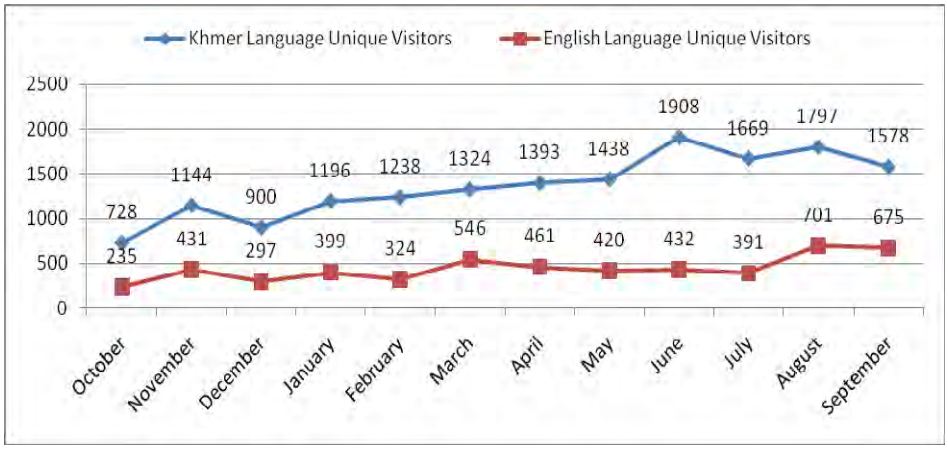
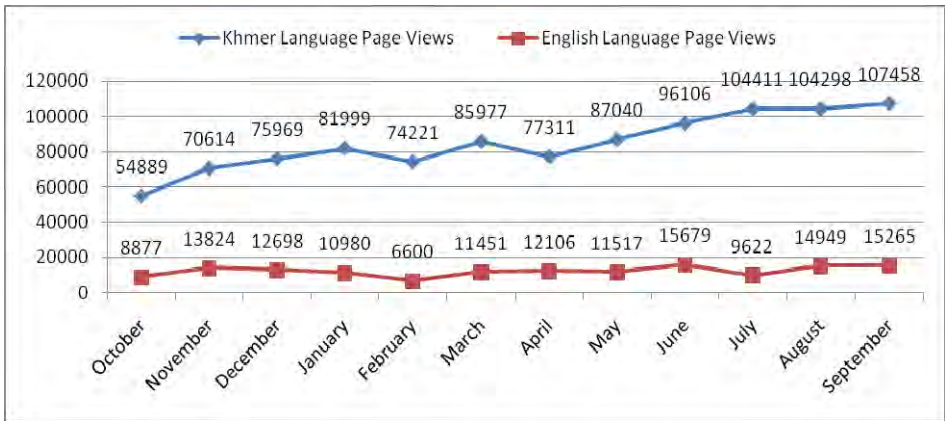


Chart 3: Number of *SaatSaam* page views



This data indicates that the website is being accepted by internet users as a place to go for information, rather than a site that is looked at as a 'once-off', thus implying that the website is being used a resource of information on corruption. However, while internet usage remains low in Cambodia, it is debatable how effective such a mechanism is.

1.2 Clean Hand Concert

The Clean Hand Concert, held on May 30 2009, was designed to be a major event to attract youth across Phnom Penh and to highlight the importance of an anti-corruption law amongst this key demographic. In addition to the entertainment provided by well-known musicians and comedians, the concert afforded an opportunity to the US Ambassador to address the crowd. While the event was successful in attracting a large crowd of over 50,000 and publicizing the anti-corruption issue, there was considerable political fall-out. In the days following the concert, RGC publicly criticized the US Ambassador's remarks and a number of articles critical of Pact and the Ambassador appeared in local newspapers, which in turn attracted the attention of television comedians and the international press. Given the highly centralized and autocratic nature of Cambodian politics, this resulted in a number of negative interactions between MAE and lower-level RGC officials. Since the concert MAE has been involved in a number of relationship-building activities in order to mitigate the after-effects.

Despite this, MAE felt that the event did highlight corruption. A number of Cambodian's discretely commented to MAE that they were glad to see someone brave enough to speak out on corruption. Following the event, the Government also started to make a number of public announcements on actions they were taking to address corruption in the Government. While this cannot be directly attributable to MAE and the Clean Hand Concert, it is difficult to discount them all together.

1.3 Anti-Corruption Day

On December 9, 2008, MAE provided assistance to 13 local NGOs to conduct Anti-Corruption Day events across six provinces. These public events bought people together to discuss and learn about corruption. At the Phnom Penh event, held at Wat Phnom, HE Cheam Yeap, addressed the crowd. This was the first time that any high-ranking government official had been involved in an Anti-Corruption Day event, and indicated a growing acceptance by the government that they need to be seen to be addressing corruption.

1.4 Radio Talk Show

On August 30, after a lengthy negotiation process MAE secured a memorandum of understanding with Radio National Kampuchea (RNK) for the production and broadcasting of the Corruption Monitor Radio program, a weekly talk-back radio program that focuses on good governance and anti-corruption issues over the next 18 months. By the end of the fiscal year, three episodes had been broadcast, featuring guest speakers from the government and civil society. The radio show effectively replaces the Corruption Monitor Bulletin, which had a limited audience. Through the medium of radio, MAE can reach a far larger audience and stimulate more fluid interactions between the government and civil society in a public setting. Initial feedback to the program has been positive, but it will take some time before its affects really take hold and MAE can really measure its impact.

1.5 Corruption Monitor Bulletin

The last edition of the Corruption Monitor Bulletin, a monthly review of corruption related stories in the media, was published January 2009. From an evaluation of the Corruption Monitor, MAE found it to be lacking in broad

appeal and effectiveness, and consequently decided to invest in a radio show which could reach a broader audience in a more easily digestible format.

1.6 Events and Seminars

Anti-corruption training: An important aspect of MAE's work is educating civil society on corruption so that they are better able to address corruption issues in their work and demand reform from the government. In the fourth quarter (in July), MAE, in conjunction with members of Coalition of Civil Society against Corruption, conducted an anti-corruption training in Battambang at the request of Deutscher Entwicklungsdienst (DED). The training was aimed to raise awareness on corruption issues and to avoid the corrupt practices among local NGOs that receive funding from DED. According to feedback from these sessions, many of the participants did not realize that they had been participating in corrupt practices and that now they could seek to address these issues in their organizations.

Workshops on Freedom of Information: During the year MAE, as a member of the FOI Working Group and in partnership with other members of the FOI Working Group, organized four FOI workshops in three provinces. These workshops aimed to raise awareness of FOI amongst key stakeholders including provincial government officials, commune councilors, district councilors, provincial councils and local NGOs. Through this activity MAE aims to educate and build political will amongst sub-national governments, who also suffer as a result of poor access to information, to create stronger pressure on the Government to take more action on FOI reform. Further, by educating these officials now, it will mean that they are more informed when FOI legislation is passed. After the training a number of these officials expressed a desire for better reform in this area.

FOI Radio Talk Shows: MAE as a member of FOI Working Group, in conjunction with other members of FOI Working Group, conducted ten FOI radio talk shows on the Voice of Democracy (VOD) (broadcasted on Sarika FM 106.5 MHz), ADHOC's Radio program and Voice of Civil Society (VOC) (both broadcasted on FM 105 MHz). The talk shows are part of a coordinated effort, which also included the production of educational material, to raise awareness and demand for FOI reform. By the end of the series, callers to the show had a marked improvement in their ability to articulate their problems regarding access to information, indicating that the listeners had learnt about FOI from the show.

MOBILIZING AND MAINTAINING A CRITICAL MASS OF DONORS FOR POLICY ADVISORY

2.1 Mobilizing Donors

Given that international development assistance makes up almost half of the Royal Government of Cambodia's budget, it is of critical importance to mobilize donor agencies in the fight against corruption. To this end, MAE works with the Anti-Corruption Donor Working Group in an effort to further anti-corruption reform.

Since establishment of the working group, which is comprised of the main human rights and justice bilateral and multilateral donors, the group has maintain its unified stance in opposing the provision of assistance to the RGC's Anti-Corruption Unit in an effort to pressure the RGC to adopt an anti-corruption law that meets international standards. Recent public statements by senior RGC officials indicate that such unity is may be paying off and that the law will be adopted in early 2010, which now opens the door for direct assistance to the ACU by USAID and

other donors in the working group. However, this unified front risks being undermined and fragmented by politically savvy local elites who benefit directly from the spoils of corruption. Further challenges on this front include the emerging influence of China in Cambodia who offers 'hassle free' alternatives to western development partners, and developments in extractive industries sector, which could profoundly affect relationships between donor countries and Cambodia and, if corrupted, serve to further widen the gap between the rich and the poor and sideline the influence of the donor community.

Despite this, MAE has strengthened relationships with key bilateral agencies with strong anti-corruption mandates over the last year. As a result of this relationship building, MAE has been able to secure funding from DANIDA for – the Corruption Monitor radio talk show as detailed above.

FURTHER DEVELOP SUSTAINABILITY AND CAPACITY OF THE COALITION OF CSOS AGAINST CORRUPTION AND MAINSTREAMING THE CLEAN HANDS CAMPAIGN

3.1. Strengthening the Coalition of CSOs against Corruption (CoCSOAC).

Throughout the year, the CoCSOAC have jointly implemented a number of activities and made steps towards formalizing as a legal entity. With MAE assistance, CoCSOAC activities have included International Anti-Corruption Day events, the Clean Hand Concert, radio programs, contributions to the *SaatSaam* website, anti-corruption training and the dissemination of press-releases. In the last quarter of the year, CoCSOAC also took steps towards formalizing itself and has developed drafts of a new name, vision and mission. Once the Coalition has formalized, and with ongoing technical assistance from MAE over the next year, the Coalition will be well-positioned to be the leading civil society voice on corruption issues, which had already begun to establish through the Million Signature Campaign. CoCSOAC's future strategy for engagement with the government will largely depend on the status of the ACL. In the short term, CoCSOAC will focus on creating pressure on the government to pass the ACL. For the long term MAE aims to ensure that CoCSOAC has developed the necessary foundations to sustainably fulfill its mandate. MAE continue to monitor and measure whether it is effective or not in doing so and provide technical assistance as appropriate.

MOBILIZE COMPANIES TO TAKE A STANCE AGAINST CORRUPTION

The private sector should be an important player in anti-corruption movements but is often neglected. Businesses and companies are uniquely positioned to influence the government and benefit from a stable and predictable business environment. To engage the private sector, MAE has established the Clean Business Initiative, hosted seminars, started work on the development of a toolkit and disseminated useful information.

4.1 Clean business initiative

By the end of this year, and just over a year from the official launch, a total of 57 businesses had endorsed the Clean Business Initiate (CBI). Following an eight-month branding campaign, a survey found that 28% of MSMEs surveyed were aware of the initiative and 32% of the general public surveyed was aware of the initiative. As the

CBI is growing in recognition, it is important for the initiative to grow in depth and effectiveness. Consequently, MAE will work with the CBI to develop training programs, host further educational forums and engage with civil society.

4.2 Education on international clean business standards in Cambodia

In early 2009, MAE and the American Chamber of Commerce (AmCham) jointly hosted a seminar on the US Foreign Corrupt Practices Act, to inform businesses of the rights and liabilities under Cambodian and American law. More than 80 business leaders and CEOs from the private sector attended the seminar. The overwhelmingly positive response from attendees indicated that such events are useful, and, accordingly MAE will host similar events next year, in consultation with AmCham and CBI.

Additionally, with permission from Forbes Magazine, MAE produced a reprint of the Forbes Magazine Special Report on Corruption and circulated 1,000 copies to interested parties. This report was highly relevant for the businesses concerned about corruption and sought to stimulate discussions on how some of the concepts put forward could relate to Cambodia.

EXPAND THE NUMBER OF RGC MINISTRIES AND DEPARTMENTS THAT HAVE A REGULAR PARTNERSHIP WITH PACT TO DEVELOP AND IMPLEMENT ANTI-CORRUPTION REFORMS AND PRACTICES

5.1 Relationship with the Government

Over the past years, engaging with the Royal Government of Cambodia has been difficult and limited. However, during the last year MAE organized a number of events that were attended by Government representatives including a seminar on “World Experience in the Fight against Corruption”, a presentation from Global Integrity, freedom of information workshops and Anti-Corruption Day celebrations. Up until June, it appeared that MAE’s relationship with the Government was improving, with H.E. Leng Vy, expressing his gratitude to MAE for organizing seminars on anti-corruption. However, since the Clean Hands Concert, MAE’s relationship with the Government has become more difficult. Consequently, MAE has been working to re-establish a good working relationship with the Government, so that it may be able to offer technical assistance to the Anti-Corruption Unit (ACU) when the Anti-Corruption Law is passed. On Monday August 24, MAE met with representatives, who requested support from MAE in a number of areas. This request is now under review by USAID.

5.2 Provincial Accountability Working Groups

During the year the RGC established Provincial Accountability Working Groups (PAWGs) across all of Cambodia’s provinces. These groups are mandated to ensure that all spending in the commune is conducted in a transparent and accountable manner. A key feature of these groups will be the investigation and resolution of misappropriated funds. In the last quarter of the year, MAE attended a PAWG meeting in Battambang to explore opportunities for supporting the PAWGs. A strategy and action plan will be drawn up early in the new year.

DEVELOP CAPACITY OF INVESTIGATIVE REPORTERS WORKING ON CORRUPTION ISSUES

6.1 MAE trained journalists

During this year, over 400 corruption-related articles were published by MAE-trained journalists. At the end of Q4 in 2009, MAE recruited a Media Monitoring Assistant. In addition to providing a daily update of corruption stories in key Cambodia media (print, radio and web-based), the Media Monitoring Assistant will be reconnecting with journalists trained by MAE in 2007 in order to assess the need for further training. By working with these reporters, MAE can strengthen the role of the media in monitoring corruption, raise awareness of corruption issues and stimulate national debate.

DEVELOP ANTI-CORRUPTION RESOURCES/DIAGNOSTICS

For the anti-corruption efforts to be successful it is important to have well designed and effective resources that can help build advocacy campaigns or influence the government to implement reform. During the year MAE worked to develop the following resources.

7.1 Focus groups on corruption

MAE initiated an extensive countrywide series of focus group discussion (FGDs) in order to map and gather intelligence on the incidences of corruption across Cambodia this year. These FGDs will provide snapshots of citizens' attitudes towards corruption and will serve as the evidence for more accurate technical assistance to reduce levels of corruption. MAE conducted FGDs in 24 provinces with 1,295 people (599 female). The transcription and analysis of the data is ongoing and will complete by mid-next year.

7.2 Surveys on corruption

During the year MAE worked with Transparency International and Global Integrity to contribute to studies ranking Cambodia in terms of corruption and integrity with other countries. These studies are useful in that they influence donor thinking, government thinking and are a useful data source for MAE to build upon. Over the next year, MAE intends to reproduce the comprehensive and informative Household Corruption Survey, produced by the Centre for Social Development in 2004. This survey will be useful in not only measuring current perceptions of corruption but can also be used by MAE to measure any changes over time as a result of the program.

7.3 Education/awareness raising packages

As mentioned above MAE, in partnership with CBI, is producing a CBI Toolkit for the private sector. Furthermore, MAE has been working to review the LAAR training modules, produce a conflict of interest training program and update the anti-corruption training manual. These packages are the cornerstone of our strategy to ensure that civil society and private sectors actors working to secure behavior change regarding corruption have adequate information cutting-edge tools to support their efforts.

In addition, continued to produce highly informative materials such as the Clean Hand Pocket Guide and articles for *Rubrumknea* to inform people of their rights and official fees. Such material provides citizens with reliable information with which they can tackle corruption in the daily lives.

MAINSTREAMING ANTI-CORRUPTION IN THE USAID PORTFOLIO

In 2009, MAE began considering the best approach to begin mainstream anti-corruption into other USAID programs in Cambodia. MAE found a strong partner in the reproductive health organization, RACHA, willing to work with MAE to move forward on corruption in the reproductive health. However, with the political tension which arose during the third, planned activities were put on hold. Despite this, both MAE and RACHA are hopeful of collaborations in the near future. Additionally, MAE also coordinated with IRI during their youth festival in Kampong Cham in mid-July 2009.

COORDINATION WITH LAAR

Following a strategic planning meeting in the third quarter, MAE and LAAR began to develop plans to capitalize on synergies at the sub-national level, especially focusing on transparency and accountability. Consequently, LAAR and MAE worked together to conduct focus groups, develop the Commune Action and Effectiveness Process (CAEP), review training programs and develop a strategy to assist the Provincial Level Accountability Working Groups.

EXTRACTIVE INDUSTRY TRANSPARENCY

During the year the helped Cambodians for Resources Revenue Transparency (CRRT), with support from MAE, formalized into an independent NGO. MAE will no longer provide assistance to the CRRT, as they are now capable of moving forward to tackle issues in the extractive industries by themselves. This is a positive outcome for MAE and for extractive industry transparency in Cambodia.

CHALLENGES

Over the next year, MAE will need to be aware of and response to the following challenges:

- **Lack of a formalized structure for the civil society coalition**. At the close of FY2009, CoCSOAC lacked its own vision, mission, and structure. Even the very name of the coalition is cumbersome. In the last year of the program, MAE will assist in the coalition's transformation into an independent and self-directed entity. In addition to the organizational development, MAE will provide technical assistance and financial support to the coalition as it begins to work strategically and cooperatively together.

- **Inability to engage directly with the ACU**. For the past three years, MAE had developed plans to work with the anti-corruption body once it emerges. Unfortunately the ACL has been stalled. Due to donor-imposed restrictions, MAE has been prohibited from providing direct technical assistance to the Anti-Corruption Unit (ACU) for the life of the program. The inability to work directly with the government body currently charged with investigating, prosecuting and combating corruption has been an obstacle to any work by MAE to directly develop capacity within government to fight corruption. Lack of a long-term partnership with the ACU has resulted in an ad hoc approach.

- **Continued delay in the passage of the ACL and/or FOI framework.** It is still a critical assumption that ACL will be passed in FY2010. On a related note, the FOI framework remains stalled within MoNASRI due to a long-standing dispute between MoNASRI and USAID regarding their joint MOU. With USAID assistance, MAE believes that the relationship can be restored to a productive state. Additional relationships will be built with the Ministry of Information which will be tasked with implementation of any future FOI law.

- **Imminent commercialization of the oil and gas sector.** The timeline of actual production appears to have moved up (potentially to 2011). CSOs and indeed the wider society are not prepared for the consequences.

WAY FORWARD

Over the next year, MAE will continue to work with the Government, the media, businesses and civil society to focus on the following areas to ensure impact:

- **Respond to the imminent passage of the Anti-corruption Law.** In July 2009, the first public statement was made by a senior RGC official indicating a timeline for submission of the Anti-Corruption Law (ACL) to the National Assembly. Just as FY2009 was ending, the National Assembly began debate on the new penal code, which itself includes 37 articles of the draft ACL. This is a major step forward as the RGC has always indicated that passage of the penal code is a necessary precondition to the ACL. More recently, however, MAE has begun to build a stronger relationship with the ACU and improve communications.

- **Direct engagement with the ACU.** Recent easing of tensions between donors and the ACU may open a path for MAE to provide more direct engagement and support. This would prove especially fruitful as it seems likely that the ACU will become the responsible body under the ACL.

- **Greater direct work with the media.** Building political will by informing the debate was the rationale behind MAE's development and distribution of the Corruption Monitor newsletter. While survey evidence has shown that the Corruption Monitor newsletter was effective, it had a very limited distribution base. Acting on the belief that a radio-format would reach a greater audience, MAE commenced negotiations with RNK in June 2009 to develop such a program. With funding from DANIDA, the talk back show on good governance was launched in mid-September 2009.

- **Further development of CBI.** The CBI team is also working to develop a toolkit of best practices in good corporate governance which will include policies on anti-corruption, fraud, conflict of interest and customer service in both English and Khmer languages.

- **Conducted a summative evaluation.** Using focus group data and household surveys, MAE will assess changes in the Cambodia context and evaluate the success of the program. If circumstances permit, the Household Survey will be carried out jointly with the ACU.

DATA ANNEX

SGA ELEMENT INDICATORS

No.	Indicators	OP Target FY09	LAAR FY09	MAE FY09	Actual FY09	% achieved in FY09	LAAR Target FY10	MAE Target FY10	OP Target FY10
2.1.1.a	Number of USG-supported Public Sessions Held Regarding Proposed Changes to the Country's Legal Framework	35	-	126	126	360%	-	30	30
2.1.1.b	Number of campaigns supported by USG to foster public awareness and respect for rule of law	4	-	4	4	100%	-	3	3
2.2.1.a	Number of National Legislators and National Legislative Staff Attending USG Sponsored training or Educational Events	30	-	3	3	10%	-	5	5
	Number of Women	-	-	*1*	1	-	-	-	-
	Number of Men	-	-	*2*	2	-	-	-	-
2.2.1.b	Number of Civil Society Organizations receiving USG assisted training in advocacy	40	-	27	38	95%	-	20	20
2.2.1.c	Number of Public Forums Resulting from USG Assistance in which National Legislators and Members of the Public Interact	8	-	2	2	25%	-	5	5
2.2.1.d	Number of USG assisted Civil Society Organizations that participate in legislative proceedings and/or engage in advocacy with national legislature and its committees	40	-	49	49	123%	-	40	40
2.2.3.a	Number of Sub-national Government Entities receiving USG assistance to Improve their performance	356	356	-	356	100%	356	-	356
2.2.3.b	Number of Local Mechanisms Supported with USG Assistance for Citizens to Engage their Sub-national Government	356	356	-	356	100%	356	-	356
2.2.3.c	*Number of individuals Who Received USG-Assisted Training, including management skills and Fiscal Management, to Strengthen Local Government and/or Decentralization*	4200	17658	-	12546	299%	8000	-	8000
	Number of Women	-	*6694*	-	*4856*	-	-	-	-
	Number of Men	-	*10964*	-	*7690*	-	-	-	-
2.2.4.a	Number of Government Officials Receiving USG-Supported Anti-corruption Training	1275	1878	81	1959	154%	1200	30	1230
	Number of Women	-	*267*	*7*	274	-	-	-	-
	Number of Men	-	*1611*	*74*	1685	-	-	-	-

2.2.4.b	Number of people affiliated with non-Governmental Organizations receiving USG supported Anti-corruption Training	220	40	86	126	57%	40	50	90
	Number of Women	-	*15*	*24*	39	-	-	-	-
	Number of Men	-	*25*	*62*	87	-	-	-	-
2.2.4.c	Number of Mechanisms for External Oversight of Public Resource Use supported by USG Assistance	12	13	4	17	142%	369	3	372
2.2.4.d	Number of USG-Supported Anti-corruption Measures Implemented	19	0	126	126	663%	356	25	381
2.4.1.a	Number of Civil Society Organizations using USG Assistance to Promote Civic Participation	20	15	8	23	115%	15	6	21
2.4.1.b	Number of Civil Society Organizations using USG Assistance to Improve Internal Organizational Capacity	12	14	20	24	200%	15	20	35
2.4.1.c	Number of participants in USG-funded programs supporting participation and inclusion of traditionally marginalized ethnic minority and/or religious minority groups	4200	10964	-	12546	299%	8000	-	8000
	Number of Women	*0*	*6694*	-	*4856*	-		-	
	Number of Men	*0*	*10964*	-	*7690*	-		-	
2.4.1.d	Number of USG Assisted Civil Society Organizations that engage in advocacy and watchdog functions	40	0	126	126	315%	13	10	23
2.4.1.f	Number of CSO Advocacy Campaigns Supported by USG	4	-	4	4	100%	-	3	3
2.4.1.i	Number of non-USG Spokespersons that promote tangible anti-corruption actions through reasoned dialog and debate with USG Assistance	4	-	5	5	125%	-	5	5
	Number of Women	-	-	*2*	2	-	-	-	-
	Number of Men	-	-	*3*	3	-	-	-	-
2.4.2.a	Number of Journalists Trained with USG Assistance	20	-	15	15	75%	-	10	10
	Number of Women	-	-	*3*	*3*	-	-	-	-
	Number of Men	-	-	*12*	*12*	-	-	-	-

LAAR MANAGEMENT INDICATORS

Indicator No.	Indicators	PMP Target FY09	Actual FY09	% achieved in FY09	PMP Target FY10
2.2.3.e	Percentage of LAAR Partner Communes in which citizen attendance at regular CC monthly meetings increases by 5% or more.	20%	28.5%	143%	TBD
2.2.3.f	Percentage of LAAR Partner Communes in which active participation by women in regular CC monthly meetings increases by 5% or more.	10%	0.35%	4%	TBD
2.2.3.g	Number of CCs conducting Commune Council Performance Assessment (CCPA) on an annual basis.	30	6	20%	26
2.2.3.h	Number of CCs implementing Commune improvement plans based on annual CCPA.	30	1	3%	16
2.4.1.e	LAAR Management Indicator: Average number of individuals attending regular CC meetings	21	20.36	97%	22
	Female	-	*3.92*	-	-
	Male	-	*16.43*	-	-

MAE MANAGEMENT INDICATORS

Indicator No.	Indicators	PMP Target FY09	Actual FY09	% achieved in FY09	PMP Target FY10
2.4.1.i	Number of private sector firms actively supporting "Clean Business" campaign as demonstrated through signing of Clean Business treaties.	1	1	100%	1
2.2.4.e	Number of anti-corruption legal or regulatory reforms adopted (including but not limited to ACL, FOI, EITI, etc.)	80	57	71%	67
2.4.1.h	Number of companies adhering to Clean Business principles	60	57	95%	67
2.4.2.c	Number of investigatory articles published on anti-corruption topics by MAE-trained journalists.	10	407	4070%	50
2.4.2.d	Total Number of articles on corruption published in Cambodia	5000	2483	50%	1500