



Royal Government of Cambodia

NATIONAL COMMITTEE FOR SUB-NATIONAL DEMOCRATIC DEVELOPMENT



The Second Five-Year Implementation Plan (2026-2030)

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

2026

Kingdom of Cambodia
Nation – Religion – King

Office of the Council of Ministers
No. 334 SCN

Phnom Penh Capital, 9 March 2026

Deputy Prime Minister,
Minister in Charge of the Office of the Council of Ministers

Respectfully informs

His Excellency, Deputy Prime Minister,
Minister of the Ministry of Interior, and Chairperson of the National Committee for Sub-National Democratic Development

Subject:

Report on the progress of implementing the Decentralization and Deconcentration (D&D) Reform Program and request for review and decision on the Second Five-Year Implementation Plan (2026–2030) of the National Program for Sub-National Democratic Development.

References:

- Letter No. 023 Rbk/NCDD dated 2 March 2026 of the National Committee for Sub-National Democratic Development
- Letter No. 023 Khon/026 SCN dated 4 March 2026 of the Cabinet of Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia
- The highest instruction of Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia, dated 3 March 2026

With reference to the subject mentioned above, the Office of the Council of Ministers respectfully informs His Excellency that the Royal Government has agreed in principle to the report on the progress of implementing the Decentralization and Deconcentration Reform Program and the Second Five-Year Implementation Plan (2026–2030) of the National Program for Sub-National Democratic Development (2021–2030).

In accordance with the above, His Excellency is respectfully requested to take note and proceed with the necessary arrangements for implementation.

For the Deputy Prime Minister in
Charge of the Office of the Council of
Ministers
Secretary of State

Kaen Satta

Copies to:

- Ministry of Economy and Finance
- Relevant ministries and institutions
- Cabinet of Samdech Moha Borvor Thipadei, Prime Minister
- Cabinet of His Excellency the Acting Deputy Prime Minister
- Capital and Provincial Administrations
- Documentation and Archives

Foreword

The Five-Year Implementation Plan Phase 2 (IP5-II) is the implementation plan of the National Program for Sub-National Democratic Development Phase 2 (NP-2) to be carried out from 2026–2030, following the successful completion of the Five-Year Implementation Plan Phase 1 (IP5-I) implemented from 2021 to 2025. IP5-II has been developed based on the strategic directions of NP-2, the achievements and key challenges encountered during the implementation of IP5-I, as well as the Pentagon Strategy, key priority measures, and newly issued policies and strategies of relevant ministries, institutions, and the Royal Government of the 7th Legislature of the National Assembly.

The formulation of IP5-II involved extensive research, assessment, review, consultations, and discussions at multiple levels, including technical working groups, broad consultative workshops with representatives from ministries, institutions, sub-national administrations, development partners, civil society organizations, and other stakeholders. It also included consultations with the leadership of key reform programs to gather inputs, political support, and strategic recommendations on essential priority. The draft was reviewed, discussed, and endorsed at the 25th meeting of the National Committee for Sub-National Democratic Development (NCDD) on 27 January 2026. IP5-II was subsequently submitted to **Samdech Moha Borvor Thipadei, Prime Minister**, for review and approval on 3rd March 2026.

IP5-II identifies priority activities for ministries, institutions, and sub-national administrations to jointly strengthen ownership and responsibility in promoting and enhancing implementation, ensuring the achievement of the vision, goals, objectives, and expected results set out in NP-II, thereby contributing to the realization of the Pentagon Strategy of the Royal Government of the 7th Legislature.

On behalf of the NCDD, I would like to express my deepest gratitude for the visionary leadership of **Samdech Akka Moha Sena Padei Techo Hun Sen**, former Prime Minister, and the continued leadership of **Samdech Moha Borvor Thipadei Hun Manet**, Prime Minister of the Kingdom of Cambodia, who have consistently provided guidance and direction on decentralization and deconcentration reforms. Their leadership has been instrumental in enhancing the quality and effectiveness of public service delivery and local development, responding to priority needs at the grassroots level, and improving the well-being of citizens.

At the same time, I would like to respectfully acknowledge **Samdech Krolahom Sar Kheng**, former Deputy Prime Minister, Minister of Interior, and Chair of the NCDD, for his leadership in coordinating and advancing decentralization and deconcentration reforms, which have achieved many positive results in line with the Royal Government's reform policies, organizational laws and the National Program for Sub-National Democratic Development.

On behalf of the Royal Government and the NCDD, I also extend sincere appreciation and high recognition to the leaders and officials of ministries, institutions, sub-national administrations, development partners, civil society organizations, the private sector, and the public for their support and participation in implementing decentralization and deconcentration reforms at all stages. Their contributions have enabled meaningful progress and deeper development up to the present.

I firmly believe that the leaders and officials of relevant ministries, institutions, sub-national administrations, development partners, civil society organizations, the private sector, and the public will continue to collaborate, support, and actively participate in the implementation of this IP5-II, ensuring new achievements for the benefit of the nation and all Cambodian citizens.

Phnom Penh, March 3rd, 2026
Deputy Prime Minister, Minister of Interior
and Chairman of the NCDD

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Chapter 1

General Overview

1. Introduction

The Five-Year Implementation Plan Phase II (IP5-II) is the implementation plan for the National Program for Sub-National Democratic Development Phase II (NP-2) for the period 2026–2030. It follows the successful implementation of the Five-Year Implementation Plan Phase I (IP5-I) from 2021 to 2025. IP5-II has been developed based on the achievements of IP5-I, the Political Platform, the Pentagonal Strategy Phase I, key measures, and various strategic plans issued by relevant ministries, institutions, and the Royal Government during the 7th Legislature.

During the implementation of IP5-I from 2021 to 2025, despite the challenges posed by the COVID-19 pandemic, under the leadership of the NCDD, and with the participation of ministries, institutions, sub-national administrations (SNA), development partners, civil society organizations, and other stakeholders, the implementation of IP5-I achieved commendable results. Of the 112 priority actions, 90 actions—equivalent to 80%—were implemented, and of the 165 indicators progress was measured for 127—equivalent to 77%. The key achievements during IP5-I are summarized as follows:

Leadership of D&D Reforms

The NCDD organized regular meetings to review progress and challenges in implementing reform programs, and discussed more than 250 policy documents, laws, and legal instruments related to D&D reforms. A total of 22 central ministries and institutions, along with SNA across the country, participated in preparing and implementing the NCDD’s annual work plans and budgets (AWPB), which serve as the annual implementation plans of IP5-I. These institutions allocated portions of their own budgets to support these annual workplans and budgets, amounting to an average of USD 5–6 million per year.

Guided and direction by Samdech Moha Borvor Thipadei, Prime Minister of the Kingdom of Cambodia, the NCDD successfully organized the Forum between Government and Sub-National Administration under the theme “**D&D Reform to Contribute to Achieving Cambodia’s Vision 2050**” on 18 March 2025. The event gathered more than 1,400 in-person participants and over 10,000 online participants. This forum was a major milestone in D&D reform, aimed at jointly assessing progress, identifying challenges, and setting policy directions to deepen and enhance the effectiveness of reform implementation, contributing to the implementation of the Political Platform, the Pentagonal Strategy Phase 1 and key measures of the Royal Government during the 7th Legislature.

The NCDD Secretariat served as the executive arm of the NCDD, leading day-to-day management, coordinating with concerned ministries, sub-national administration, development partners and civil society organizations to mobilize participation and support for the implementation of IP5-I. At the same time, the Secretariat facilitated, promoted, and strengthened cooperation among key reform programs, including D&D reform, public financial management reform, public administration reform, legal reform, and justice system reform. This ensured that the design and implementation of these key reform programs were coherent, interconnected, and mutually reinforcing.

Strengthening the Development of Sub-National Administrations

The Councils, Boards of Governors, and administrative officials of Districts, Municipalities and Khans (DMK) have diligently fulfilled their duties under their new functions and restructured organizational arrangements, which were reorganized in early 2020, with a strong sense of

responsibility. The functions of education, youth, and sports transferred to DMK administrations have also been managed and administered with high accountability, in accordance with established principles, procedures, and standards. This has contributed to improving the delivery of education services in schools under the jurisdiction of each DMK administration.

The Capital and Provincial (CP) Councils and Boards of Governors have demonstrated strong commitment and responsibility in promoting, supporting, and regularly monitoring the provision of health services at referral hospitals and health centers through monthly council meetings and on-site observation. These efforts have contributed to positive improvements in both the quality and effectiveness of health service delivery at referral hospitals and health centers. Health centers and referral hospitals have arranged for 24-hour staffing and ensured that health personnel are friendly, responsive, and uphold professional ethics in fulfilling their duties, thereby increasing public trust and encouraging more citizens to seek services at these facilities.

The NCDD Secretariat led an inter-ministerial technical working group to study and gather lessons learned and experiences from countries within and outside the region and conducted field assessments in selected SNA. These efforts provided the basis for identifying appropriate options to improve the structure and governance systems of Capital administrations toward metropolitan administration, Provincial administrations toward regional administration, and Municipal, District, Commune, and Sangkat administrations toward resilient, strong, and clean frontline local administrations capable of delivering public services, promoting local economic development, and serving citizens with greater efficiency, transparency, accountability, responsiveness, and social equity.

Administrative service delivery through the One Window Service Offices (OWSOs) at Sub-National Administrations (SNA) has also been strengthened and improved to make services more convenient and faster. Some Capital, Provincial, Municipal, District, and Khan administrations have modernized their administrative service delivery and payment systems in selected sectors through online platforms. The 2025 Governance Survey indicated that the citizen satisfaction index for administrative services delivered through OWSOs reached 0.69, which falls within the “good” category¹.

Social accountability initiatives have been expanded and implemented in 94% of Communes and Sangkats nationwide to facilitate citizens’ access to information and participation in monitoring, oversight, and evaluation of the performance and service delivery of local service providers. Social accountability activities have also gradually expanded to municipal and district administrations. The endline assessment for 2024 showed that 92% of citizens were satisfied and actively engaged in improving the performance, public service delivery, and local development provided by the three key service providers: Commune/Sangkat (CS) administrations, health centers, and primary schools.

Human Resource Management and Development in SNA

SNA have continued to strengthen the management and utilization of their personnel in accordance with the rights, powers, and responsibilities defined in the separate statutes for sub-national administrative staff. Guidelines on principles and procedures for managing sub-national administrative personnel have been developed, disseminated, and implemented by SNA.

A sub-decree on defining professional positions and position descriptions within the structure of DMK administrations has been developed and implemented to provide a basis for preparing staffing plans that respond to actual personnel needs, ensuring proper recruitment based on required professional competencies, aligning annual job description with the professional skills

¹ Report of NP-2 Governance Survey - Baseline Survey, February 2025

of each staff member, and developing human resources according to the real needs of each municipal, District, and khan administration.

In addition, a sub-decree on the principles and procedures for appointing transferring and terminating the positions of directors of public kindergartens and public primary schools—along with operational guidelines for these processes—was developed and disseminated for implementation in early 2025.

To date, more than 100,000 personnel are under the direct management of SNA, including approximately 7,000 administrative staff, over 70,000 education staff/teachers, around 10,000 technical staff across various sectors, and more than 20,000 health personnel.

Each year, Capital and Provincial administrations prepare and implement capacity development plans for their staff as well as for municipal, District, khan, commune, and Sangkat personnel. Based on capacity development needs assessments, Capital and Provincial administrations conduct more than 200 training courses annually, with over 6,700 participants. The National School of Local Administration (NASLA) has also been highly active, collaborating with ministries, institutions, development partners, and stakeholders to provide capacity development services to councils and sub-national administrative staff. On average, the school organizes 35 training courses per year, with more than 1,500 participants.

Both councils and sub-national administrative staff have gained broad awareness of gender equality, inclusiveness, and social equity. All appointments and transfers of positions involve consultation and participation from representatives of the Women and Children Affairs Committees and female deputy governors to ensure consideration of female candidates. According to 2025 data, women accounted for 23% of management positions at the municipal, District, and khan levels, and 33% at the Capital and Provincial levels.

Fiscal Decentralization and Planning Systems of SNA

The Royal Government has increased the budget allocations for SNA annually. The total budget for SNA was approximately USD 859 million in 2021 and increased to around USD 1.791 billion in 2025. The timelines for preparing the Three-Year Rolling Investment Program and the annual budget plans of SNA have been improved to ensure better alignment, enabling SNA to utilize their annual budgets in a timely manner for implementing priority projects and activities identified in the Three-Year Rolling Investment Program.

Conditional financial resources for implementing education functions have been transferred to DMK administrations, while conditional financial resources for implementing health functions have been transferred to Capital and Provincial administrations. These transfers were made according to the established schedule and were utilized effectively in line with the defined conditions.

Across all three levels of SNA, a growing share of their budgets has been allocated to social services, sanitation, and environmental management to support poor and vulnerable households, with the aim of promoting equitable and social inclusiveness in use of public resources.

In parallel, the Financial Management Information System (FMIS) and the State Asset and Inventory Management Information System (SARMIS) have been developed and deployed for use by SNA to ensure more efficient, transparent, and accountable management of financial resources and state assets.

Service Delivery and Local Development

Each SNA has made continuous efforts to strengthen the management and implementation of both obligatory/mandatory and permissive/optional functions within its jurisdiction to deliver public services and promote local development in response to citizens' priority needs. Technical

guidelines for implementing the transferred sectoral functions have been developed and put into practice.

Administrative service delivery through the One Window Service Offices (OWSOs) at all three levels of sub-national administration has continued to operate smoothly, with gradual modernization to ensure that administrative services under their jurisdiction become more accessible, efficient, transparent, and satisfactory to citizens. According to the 2025 Governance Survey, the citizen satisfaction index for administrative services delivered through OWSOs reached 0.69, which falls within the “good” category.

Under the framework of permissive/optional functions, all three levels of SNA have mobilized and utilized their own budgets, along with legally sourced additional funds, to prepare and implement infrastructure projects, social service projects, and environmental sanitation projects. On average, more than 2,600 such projects were implemented annually to address challenges and respond to the priority needs of citizens and communities at the local level.

Key Challenges and Priority Actions for IP5-II

Despite the significant achievements of IP5-I (2021–2025), several key challenges and priority actions remain to be addressed during the implementation of IP5-II, including:

- Weak monitoring, supervision, and support from national ministries and institutions to SNA; limited technical support from CP administrations to DMK and CS administrations; and insufficient technical support from Municipal and District administrations to Commune and Sangkat administrations, all of which require further strengthening.
- The need to continue reviewing and restructuring the organizational arrangements, governance systems, and functions of Capital and Provincial administrations in line with the principles of unified administration as stipulated in the Law on the Administration of Capital, Provinces, Municipalities, Districts, and Khans. This is essential to ensure that Capital and Provincial councils can effectively manage functions and resources, and lead and coordinate service delivery and development activities that respond to citizens’ needs.
- Persistent shortages of human resources—both in number and professional skills—within SNA, requiring systematic and clear solutions.
- The need to support SNA in preparing land-use plans, master land-use frameworks, and detailed land-use plans to promote urban planning and sectoral development, ensuring that the use of local potential resources is environmentally safe, aesthetically appropriate, orderly, attractive to investors, and sustainable.

Beyond these key challenges, the preparation of IP5-II also focused on studying, assessing, and analyzing the economic, urbanization, technological, and risk-related contexts arising from global crises and the Cambodia–Thailand border conflict. This analysis provides a clearer foundation for designing IP5-II to respond to real needs comprehensively and coherently, in alignment with NP-2, D&D policies, the Law on the Administration of Capital, Provinces, Municipalities, Districts, Khans, Pentagonal Strategy Phase I, and the Royal Government’s key measures.

In conducting these assessments and analyses, in addition to reviewing relevant documents, the NCDD Secretariat consulted with SNA—the direct implementers of D&D reforms—as well as with relevant ministries and institutions responsible for policy formulation, legislation, standard-setting, technical support, and compliance monitoring. Consultations were also held with development partners and civil society organizations, which play important roles in providing financial support, technical assistance, and participation in implementing D&D reforms.

Structure of IP5-II

Overall, IP5-II is organized into five main chapters:

1. **Chapter 1:** General Overview — presenting the introduction, vision, objectives, goals, summary of components, expected outcomes, results framework, and implementation strategy of IP5-II.
2. **Chapter 2:** Components of IP5-II — detailing the five components, each divided into four sections: rationale, expected outcome, expected outputs, priority actions, indicators, and estimated budget.
3. **Chapter 3:** Management and Implementation of IP5-II — describing the management and implementation framework, monitoring and evaluation, and risk management.
4. **Chapter 4:** Expenditure Plan — outlining cost estimates and financing arrangements to support IP5-II.
5. **Chapter 5:** Conclusion — highlighting key factors necessary to ensure the successful achievement of NP-2's goals over the five-year period.

2. Vision, Goal and Objective of IP5-II

2.1. Vision

The IP5-I and IP5-II are designed to achieve the vision of the NP2 which is that “Citizens benefit from public services and local development provided by SNA with social equity and inclusiveness, thus contributing to achieving the national social and economic development goal and transforming Cambodia into an upper-middle-income country by 2030.”

2.2. Goal

In contributing to achieving this vision, the goal of the IP5-II is to continue and strengthen “Enhancing public service delivery and local development in accordance with the principles of democratic development with promotion of social equity and inclusiveness, and justice in contributing to the eradication of poverty and improving the quality of life of the people.”

2.3. Objective

To ensure the achievement of the above goal, the objective of the IP5-II is that “SNA have appropriate authority, autonomy and ability to perform their functions in providing public services and local development.”

Achieving this objective requires reviewing and adjusting the structures, systems, functions, power, and resources of sub-national administrations to align with the characteristics of each type of administration, such as urban or rural areas. At the same time, the administrative management systems of sub-national administrations must be modernized and strengthened to ensure effective planning, financial and performance management, and human resource management. Personnel must also possess adequate capacity and professional skills to operate these systems effectively.

SNA must prepare plans and budgets that reflect the needs and priorities of each locality through consultation with citizens, civil society organizations and private sectors. SNA must be given appropriate authority to make decisions related to the use of their funds. Moreover, the capacity and authority of the sub-national administration councils should be strengthened to ensure accountability of SNA to the citizens.

3. Components and Expected Outputs

The IP5-II is organized and divided into 5 main components:

- Component 1 : Leadership and coordination of reform
- Component 2 : SNA structures and management systems
- Component 3 : Human resource management and development
- Component 4 : Fiscal decentralization and SNA planning and budgeting system
- Component 5 : Public service provision and local development.

Each component includes expected outcome, outputs and priority activities, including specific targets to be implemented to ensure the achievement of the objective of IP5-II.

The five components are designed interconnectedly, meaning that the success of implementing any component depends on the implementation of the other four components. Yet, there is no single implementing institution that is solely responsible for a specific component. Instead, an implementing agency may be responsible for implementing certain outputs and activities within a specific component, and some implementing agencies may be responsible for implementing activities in more than one component.

The table below presents the results framework of the IP5-II, including indicators and targets of expected outputs under each component .

Results Framework of IP5-II

Code	Results of IP5-II	Indicators and Targets		
		Indicators	Baseline 2025	Endline 2030
Vision: Citizens benefit from public services and local development provided by SNA with social equity and inclusiveness, thus contributing to achieving the national social and economic development goals and transforming Cambodia into an upper-middle-income country by 2030				
Goal: Enhancing public service delivery and local development in accordance with the principles of democratic development with promotion of social equity and inclusiveness, and justice in contributing to the eradication of poverty and eventually improving the quality of life of the people.				
		– Governance Index	– 0.64	– 0.74
Objective: SNAs have the authority, autonomy, capacity, and ability to perform their functions in providing public services and local development.				
		– Service index	– 0.69	– 0.79
		– Capacity index	– 0.75	– 0.85
Component 1: Leadership and coordination of reform				
Outcome: Leadership, coordination, and support for the reform at the national and sub-national levels are strengthened to promote ownership and accountability in the preparation and implementation of democratic development reform programs in an effective and efficient manner				
1.1	Expected Output 1: Reform leadership mechanisms strengthened at both the national and sub-national levels, ensuring consistency with key governance reforms and sectoral reforms to promote and implement the IP5-II more effectively, aiming to contribute to the implementation of the Royal Government's first phase of the Pentagon Strategy, and key measures of the Royal Government.	– Number of regulations reviewed and issued – Budget amount for core reform activities	– 5 – USD 6 millions	– 5/year – USD 6 million/year
1.2	Expected Output 2 Subnational democratic development reform widely disseminated to increase understanding and broaden support among ministries, institutions, sub-national administrations, citizens, and stakeholders.	– Index of knowledge about royal government reforms	– 0.61	– 0.71

Code	Results of IP5-II	Indicators and Targets		
		Indicators	Baseline 2025	Endline 2030
1.3	Expected Output 3: IP5-II is implemented effectively and efficiently with participation from all relevant stakeholders.	– % of expected result indicators and expected priority actions achieved	– 80%	– 100%
1.4	Expected Output 4: The structures and functions of central ministries/institutions reviewed and adjusted in line with the progress of the reform in order to strengthen leadership, coordination, and support for SNAs	– National level technical guidance and support index	– 0.88	– 0.95
1.5	Expected Output 5: National Associations of SNA Councils strengthened to serve the benefit, and develop the capacity of the SNA councils.	– An index related to the significance and effectiveness of performance of the Association of SNA's Councils	– 0.77	– 0.87
Component 2: SNA structures and management systems				
Expected Outcome: Sub-national administrative institutions are further organized and strengthened to become resilient, capable, smart, and transparent/integrity, in accordance with the principles of unified administration, democratic development, and the characteristics of metropolitan administrations, regional administrations, local administrations, and smart cities.				
2.1	Expected Output 1: The structure, management systems and functions of SNAs are strengthened and reviewed for refinement in accordance with the characteristics of each type/level of SNA, their respective potential, and the principles of unified administration.	– Establishment of the Metropolitan Administration and Regional Administration	Studying	Operational
2.2	Expected Output 2: Land Management and Urbanization System and Functions at the SNA are strengthened.	– Land management plan – Land use master plan	– 3 – 281	– 24 – 870
2.3	Expected Output 3:	– SNA responsiveness index – SNA performance index – SNA transparency Index	– 0.67 – 0.74 – 0.62	– 0.77 – 0.84 – 0.72

Code	Results of IP5-II	Indicators and Targets		
		Indicators	Baseline 2025	Endline 2030
	The leadership, working relationships, and accountability of SNA's councils are strengthened.	– SNA accountability Index	– 0.54	– 0.64
2.4	Expected Output 4: Citizen participation mechanisms are strengthened in order to build and enhance public trust in SNAs.	– Citizen Participation Index	– 0.58	– 0.75
2.5	Expected Output 5: The administrative management systems of SNAs are modernized through the development and implementation of digital systems	– Digital IT usage index (Capability Survey)	– 0.62	– 0.72
2.6	Expected Output 6: Mechanisms and Systems for Monitoring, Supervising and Evaluating the Performance of SNA are designed, developed, revised and implemented.	– SNA internal control index – Inspection /external audit index	– 0.76 – 0.75	– 0.80 – 0.80
Component 3: Human Resource Management and Development				
Expected Outcome: SNAs have the authority to select, manage, assign, and utilize their personnel based on their workload and financial capacity, and have staff who possess the required competencies, a strong sense of ownership, loyalty, and professional ethics in line with their defined roles, responsibilities, and accountabilities.				
3.1	Expected Output 1: The authority and responsibility for personnel management of SNAs are strengthened, with consideration given to promoting gender equality	– Personnel management index – % of women in management positions	– 0.82 – 23% (District) 33% (Province)	– 0.90 – 30% (District) 37% (Province)
3.2	Expected Output 2: Performance-Based Management System is developed and implemented.	– SNS's staff management Index	– 0.82	– 0.90

Code	Results of IP5-II	Indicators and Targets		
		Indicators	Baseline 2025	Endline 2030
3.3	Expected Output 3: The capacities of councils and staff of SNAs are enhanced.	– SNA’s Capacity Development Index	– 0.68	– 0.75
3.4	Expected Output 4: Training institutions responsible for developing the capacities of SNA’s personnel are strengthened.	– Staff technical knowledge and skills index	– 0.65	– 0.75
Component 4: Financial Decentralization and SNA Planning and Budgeting System				
Expected Outcome: SNAs have predictable, 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 programs, and budget strategic plans of SNAs				
4.1	Expected Output 1: The planning process of SNA is improved and aligned with SNA budgeting process.	– Responsiveness index – Planning and budgeting index	– 0.67 – 0.91	– 0.77 – 0.95
4.2	Expected Output 2: The ownership and responsibility of SNA in managing, administering, and utilizing financial resources are strengthened.	– Budget performance index	– 0.81	– 0.85
4.3	Expected Output 3: Local revenues of SNAs are increased.	– % of SNA local revenue	– 9%	– 11%
4.4	Expected Output 4: State assets are transferred and the asset management is strengthened by SNAs.	– State Asset Management Index	– 0.84	– 0.95
4.5	Expected Output 5: Unconditional Fund is increased and allocated to SNA according to clear and equitable formulas and criteria.	– Index for permissive functions	– 0.75	– 0.85
4.6	Expected Output 6: Conditional financial resources are transferred and managed by SNA in efficiency, transparent, and accountability manner.	– Index for obligatory functions	– 0.67	– 0.75

Code	Results of IP5-II	Indicators and Targets		
		Indicators	Baseline 2025	Endline 2030
4.7	Expected Output 7: A framework for managing sub-national public investment projects is strengthened and improved.	– Regulation for public investment management of SNA	None	– Implemented
4.8	Expected result 8: A framework for partnerships between SNA and the private sector is established and effectively implemented.	– A Memorandum of Understanding for Partnerships between SNA established.	None	– Implemented
Component 5: Public Service Delivery and Local Development				
Expected Outcome: SNAs have mechanisms, procedures, and standards for delivering public services and local development that respond to citizens' needs with greater efficiency, transparency, accountability, sustainability, and social equity.				
5.1	Expected Output 1: Management and implementation of functions by SNA in delivering public services to citizens are strengthened to become more effective.	– Index of citizens are generally satisfied with the provision of public services.	– 0.6 1	– 0.71
5.2	Expected Output 2: The One Window Service Mechanism at SNA is modernized, strengthened, and expanded to ensure administrative service delivery is simpler, more convenient, faster, more efficient, transparent, and accountable.	– Index of citizens are satisfied with administrative services delivery by SNAs.	– 0.69	– 0.75
5.3	Expected Output 3: Sustainable local economic development within SNAs, as well as development in border areas, are promoted and strengthened	– Provincial GDP/Capita	– TAK: USD1,815 (2024) – KSP: USD 1,984 (2023)	Increased
5.4	Expected Output 4: Climate-change resilience, disaster-risk management, responses to severe infectious diseases, and social protection measures are integrated into the management systems of SNAs.	– Climate Change and Disaster Resilience Index	– 0.83	– 0.90

4. Strategy for Implementation

The sub-national democratic development reform requires active participation from all relevant institutions of the Royal Government, both at the national and sub-national levels, and encourages the involvement of development partners, civil society organizations, the private sector and citizens.

The **National Committee for Sub-National Democratic Development (NCDD)** is the leading institution responsible for leading, managing, and coordinating the implementation of IP5-II. The NCDD reviews, discusses, and approves key documents, including IP5-II, action plans, and annual WAPB, annual progress reports, as well as policy papers, legal instruments, and important guidelines prepared under the IP5-II. The NCDD must ensure close coordination among implementing institutions with the public financial management reform program, public administration reform program, legal reform program, judicial reform program, and other sectoral reform programs.

IP-5-II is implemented by ministries, institutions of the Royal Government, and SNA at all levels, with participation, support, and/or implementation by development partners, civil society organizations, the private sector, and other stakeholders. The ministries and institutions responsible for inter-ministerial coordination—such as the Ministry of Interior, the Ministry of Economy and Finance, the Ministry of Civil Service, the Ministry of Planning, and the Ministry of Women’s Affairs—play an important role in the implementation of IP5-II.

The IP5-II is the second five-year implementation plan of NP-II, covering the period from 2026 to 2030. This plan specifies the institutions responsible for carrying out each priority action. Each implementing institution must ensure that the expected results and priority actions of each component of IP5-II, as well as cross-cutting issues related to promoting gender equality, environmental sustainability, social equity, climate change vulnerability reduction, disaster risk reduction, and prevention of severe communicable diseases defined in IP5-II, are integrated into their respective budget strategies, action plans, and annual budgets.

Implementation of IP5-II within each institution is led by D&D steering committee chaired by the minister or head of the institution. SNA (Capital, Provinces, Municipalities, and Districts) are led and managed by D&D steering committees chaired by the governor.

The **NCDD Secretariat** is also an implementing institution of IP5-II. In addition, the Secretariat serves as the executive arm of the NCDD and is responsible for assisting the NCDD in leading and coordinating the management and implementation of IP5-II on a regular basis, including:

- Consolidating and preparing the annual work plan and budget (AWPB) of the NCDD
- Coordinating and supporting the implementation of activities by implementing institutions
- Monitoring and inspecting the implementation of the NCDD’s annual work plan and budget
- Monitoring, inspecting, and evaluating the expected results defined in IP5-II and the results framework of Phase II
- Promoting dissemination, awareness, and support for democratic development reform at the sub-national level among state institutions, development partners, civil society, the private sector, citizens, and other stakeholders
- Mobilizing, managing, and coordinating technical assistance funds for projects and programs related to inter-ministerial and inter-agency reforms
- Carrying out other tasks as instructed by the NCDD

Chapter 2

Components of the Five-Year Implementation Plan, Phase II

In general, IP5-II will maintain five strategic components, consistent with the five components of NP-II, including:

- **Component 1: Leadership and Coordination of Reform:** Focuses on continuing to strengthen mechanisms for leading and coordinating D&D reform, aiming to enhance ownership and accountability of ministries, institutions, and SNA in preparing and implementing priority activities of the reform program with greater effectiveness and legitimacy.
- **Component 2: Structures and Management Systems of SNA:** focus on the continued review and refinement of functions, organizational structures, management systems, resources, and authorities of SNAs to align with the characteristics of metropolitan administrations, urban administrations, and rural administrations. This includes preparing master plans, land-use plans; promoting the use of information technology systems to enhance service delivery and public communication; and ensuring responsiveness to the rapid developments of economic activities, urbanization, information technology, population migration toward urban centers, rising demand for social services, and the need to reduce risks posed by natural disasters, climate change, and global crises.
- **Component 3: Human Resource Management and Development:** Focuses on promoting and strengthening the exercise of authority and responsibility of SNA in recruiting, managing, assigning, and utilizing their personnel, based on workload. This includes ensuring that SNAs have staff who demonstrate ownership, loyalty, and professional ethics, aligned with their roles and responsibilities, while also receiving continuous capacity development and professional skills enhancement.
- **Component 4: Fiscal Decentralization and Planning/Budget Systems of SNA:** focus on continuing to ensure that SNAs have predictable and adequate financial resources, along with the flexibility to allocate those resources for implementing their functions and priority tasks. This aims to enable timely and effective responses to citizens' needs as identified in SNA's plans and investment programs, while ensuring efficiency, transparency, and accountability.
- **Component 5: Public Service Delivery and Local Development:** Focuses on continuing to modernize service delivery mechanisms and procedures, and local development of SNA, in order to improve public service delivery and local economic development. This aims to effectively, transparently, accountably, responsively, and equitably meet the essential needs of citizens within the jurisdiction of each SNA.

In addition to the five components above, IP5-II also emphasizes three key cross-cutting issues:

- Promotion of gender equality, environmental sustainability, and social equity
- Reduction of vulnerability to climate change and disaster risks
- Digital governance

1. Component 1: Leadership and Coordination of Reform

1.1. Rationale

The Decentralization and Deconcentration (D&D) Reform Program is a key governance reform and is closely linked to other key reform programs, including the Public Finance Reform Program, the Public Administration Reform Program, the Legal Reform Program, and the Judicial System Reform Program. Therefore, this reform program must be implemented in close coordination and cooperation with each other as well as with sectoral reform programs, such as education, youth, and sports reform, health reform, and other sectoral reforms.

The implementation of the decentralization and deconcentration reform program is conducted under the leadership and coordination of NCDD. In ministries, institutions, and sub-national levels, the implementation of this work is under the leadership and coordination of SCDD, which was established in accordance with the Royal Government Guidelines No. 2, issued in 2020.

The results of the mid-term evaluation of the NP-2 or the final evaluation of the IP5-I from 2021-2025 showed that the implementation of the NP-2 has achieved many results, such as sub-national administrations, departments, units, civil society organizations, and stakeholders having a better understanding of the related decentralization and deconcentration reform, especially with the transfer of functions, authority, human resources, financial resources, and the improvement of service delivery of sub-national administrations, the promotion of gender equality, social accountability, etc. Under the coordination of NCDD, Royal Government, various ministries and institutions have prepared and issued more than 250 regulations related to management, administration and implementation of functions, financial resource, human resource, working principles and procedures, resolutions of out-of-court conflicts as well as service delivery, and local development of sub-national administrations. At the same time, NCDD, in the capacity as the staff of the Royal Government, has also successfully coordinated and organized first forum between the Royal Government and sub-national administrations on “**Decentralization and Deconcentration Reform in Contributing to Realization of Cambodia Vision 2025**” aimed at discussing and jointly assessing progress and challenges in order to ensure that the Royal Government has specific and clear foundation in identifying and issuing policy directions for sharpening the implementation of decentralization and deconcentration with effectiveness. The National Association of Sub-national Administration Councils has been actively fulfilling its roles and responsibilities to raise awareness and develop the capacities of its members. Also, NCDD coordinated, mobilized technical assistance and financial resources from DPs and CSOs for implementing the NP-2.

Despite the above achievements, the evaluation of NP-2 also identified challenges and recommendations for consideration and strengthening in the implementation of NP-2 from 2026-2030, such as (1) Strengthening regular meetings of the SCDD at both national and SNA level to lead and coordinate the formulation and implementation of action plan, and monitoring and evaluation of D&D reform within their competency framework, (2) Improving awareness about NP-2, (3) Strengthening monitoring on the AWPB implementation including AWPB database system, (4) Promoting dissemination and increase of understanding to SNA councillors and relevant people about the mission, and roles and responsibilities of the National Association of Sub-national Administration Councils, and (5) Ensuring the consistency in developing policies, laws, regulations and sector strategic plans with the D&D policies.

1.2. Expected Outcome

The expected outcome of the leadership and coordination of reform is that “Leadership, coordination, and support for the reform at the national and sub-national levels are strengthened to promote ownership and accountability in the preparation and implementation of democratic development reform programs at the sub-national level in an effective and efficient manner.”

1.3. Expected Outputs

To achieve the above expected outcome, Component 1 has identified 5 expected outputs for implementation as follows:

- Expected Output 1:** Reform leadership mechanisms strengthened at both the national and sub-national levels, ensuring consistency with key governance reforms and sectoral reforms to promote and implement the IP5-II more effectively, aiming to contribute to the implementation of the Royal Government's first phase of the Pentagon Strategy, and key measures of the Royal Government.
- Expected Output 2:** Subnational democratic development reform widely disseminated to increase understanding and broaden support among ministries, institutions, sub-national administrations, citizens, and stakeholders.
- Expected Output 3:** IP5-II is implemented effectively and efficiently with participation from all relevant stakeholders.
- Expected Output 4:** The structures and functions of central ministries/institutions reviewed and adjusted in line with the progress of the reform in order to strengthen leadership, coordination, and support for SNAs.
- Expected Output 5:** National Association of SNA Councils strengthened to serve the benefit, and develop the capacity of the SNA councils.

The priority activities to be implemented to achieve each expected output, including indicators and targets for measuring the achievement of these priority activities, are described below:

- Expected Output 1.1:** Reform leadership mechanisms strengthened at both the national and sub-national levels, ensuring consistency with key governance reforms and sectoral reforms to promote and implement the IP5-II more effectively, aiming to contribute to the implementation of the Royal Government's first phase of the Pentagon Strategy, and key measures of the Royal Government.

The implementation of the NP-2 is under the leadership and coordination of NCDD, with the NCDD Secretariat as the staff for the day-to-day management, coordination, and implementation of this work. Improving the leadership and coordination of the NCDD and its sub-committees and strengthening the capacity and accountability of the NCDD Secretariat are core tasks that need to be continued during the IP5-II. At the same time, the implementation of the NP-2 must be done in close coordination and cooperation with key reform programs and sectoral reform programs, including the promotion of gender equality, and social equity and inclusiveness.

In ministries, institutions and sub-national administrations, the implementation of the NP-2 is under the leadership and coordination of NCDD. The mid-term evaluation of the NP-2 shows that the SCDD is not actively and regularly fulfilling its roles and responsibilities in accordance with the established work procedures. At the same time, some sub-national administrations do not yet have a clear understanding of the mechanism and the roles and responsibilities of the SCDD. Therefore, during the IP5-II, the fulfillment the roles and responsibilities of the SCDD mechanisms need to be strengthened to promote more effective leadership and coordination of the NP-2 in each institution.

To achieve this expected output, there are 04 priority activities to be implemented, as described below :

Priority Activity 1.1.1: Strengthen the roles and responsibilities of the mechanisms for coordinating and leading reform programs at the national and sub-national levels.

This activity focuses on strengthening the mechanism for leading and coordinating D&D reforms at both national and sub-national levels, including NCDD, NCDD Sub-Committees, SCDD and NCDD Secretariat, to ensure the preparation of policies, laws, regulations, programs, and plans related to democratic development reforms at the sub-national level in accordance with the roles, duties, and responsibilities of each institution, effectively and with consideration for promoting gender equality, and social equity and inclusiveness. To ensure that the preparation of policies, laws, legal regulations, strategic plans for each sector is consistent with the Law on the Management of the Capital, Provincial, Municipal, District, Khan Administrations, the Law on Management of Commune/ Sangkat Administrations, and D&D policies, as well as national programs, it must be consulted, or reviewed and approved by NCDD.

Key tasks to be implemented in this priority activity include:

- Strengthen the NCDD meetings to review, provide advice and approve draft policies, laws and regulations, as well as monitor the progress and address challenges of implementing reform.
- Strengthen the implementation of roles and responsibilities of the NCDD Subcommittees in supporting the NCDD on matters related to structures, functions, human resource, finances, assets, plans and other reform tasks
- Strengthen the implementation of the roles, duties and responsibilities of SCDD of each ministry and institution to ensure participation in implementing D&D reform within the framework of competence of each ministry and institution, as well as ensuring the consistency of the preparation of policies, laws and legal regulations, strategic plans for each sector with decentralization and decentralization policies.
- Review the mechanism of SCDD at the sub-national level and strengthen the roles, tasks, and working procedures of SCDD at the sub-national level to ensure the effective and efficient implementation of D&D reforms.
- Strengthen the implementation of roles, responsibilities and working procedures as well as develop the capacity of NCDD Secretariat to fulfil its role as the staff for the NCDD in managing, coordinating and implementing the NP2
- Review and revise the NCDD operations manuals.

Responsible Agency: NCDD, NCDD Sub-Committee, SCDD, and NCDDSS

Participating Agency: NCDD member ministries,

Indicators and Targets for Priority Activity 1.1.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Convening NCDD meeting	2	2	2	2	2	2
2	Conduct meeting of ministry SCDD	12	12	12	12	12	12
3	Organize CP SCDD meeting	12	12	12	12	12	12
4	Draft policies and regulations prepared for submission to NCDD for review and approval	5	5*	5*	5*	5*	5*
5	Preparation and issuance of regulations on sub-national level revision of the SCDD		Approved				
6	NCDD Operations Manuals reviewed and revised		Approved				

* Notes: (1) NCDD AWPB, (2) Bi-annual process of NCDD, (3) Annual process report of NCDD, (4) Regulations and (5) Reports.

Priority Activity 1.1.2: Strengthening cooperation between decentralization and deconcentration reform program and with other key reform programs

This activity focuses on strengthening cooperation between the Royal Government's key governance reform programs, including the decentralization and deconcentration reform program, the public finance reform programs, the public administration reform programs, the legal reform programs, and the judicial system reform programs, and sectoral reform programs, with the aim of improving the effectiveness of the implementation and management of those reform programs.

Key tasks to be implemented in this priority activity include:

- Organizing quarterly rotation meetings of the Secretariats of various reform programs
- Preparation and implementation of annual joint action plans and budgets on cooperation between the various reform programs.
- Organizing an annual meeting between the five key reforms

Responsible Agency: Secretariat of various reform programs

Participating Agency: Ministries, institutions that are members of the steering committee for relevant reform programs.

Indicators and Targets for Priority Activity 1.1.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Organizing quarterly rotation meetings	2	4	4	4	4	4
2	Preparation and implementation of the AWPB of the key reforms	1	1	1	1	1	1
3	Annual meeting of the key reforms	1	1	1	1	1	1

Priority Activity 1.1.3: Organizing forums, events, and sharing lessons learned to promote the implementation of D&D reforms.

This activity focuses on organizing forums and events for discussions and consultations between the Royal Government, ministries, institutions and sub-national administrations, as well as stakeholders, to jointly assess the progress of implementing the D&D reform program, identify key challenges, and propose solutions and policy orientations to sharpen the implementation of D&D reforms in participating in the implementation of the Pentagon Strategy and key policies of the Royal Government to achieve the Cambodian Vision 2050. At the same time, this activity also aims to strengthen the capacity of sub-national administrations through sharing lessons and experiences with each other about leadership, coordination and implementation of reform, including the performance, communication and internal accountability of each sub-national administration.

Key tasks to be implemented in this priority activity include:

- Organizing forums between the Royal Government and sub-national administrations, to contribute achieving the Cambodian Vision 2050
- Organize commune and Sangkat assemblies for each mandate to evaluate the work results of the commune and Sangkat administration and to introduce commune and Sangkat development policies for each mandate.
- Organize other events as necessary to publicize and reflect on the progress and challenges of reform implementation, share experiences, and discussions and consultations.
- Prepare, compile, and share lessons and good experiences on leadership, management, administration and implementation of functions and resources of sub-national administrations.

Responsible Agency: NCDD Secretariat and ministry of interior
Participating Agency: Ministries/ institutions, SNAs, DPs and CSOs.

Indicators and Targets for Priority Activity 1.1.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Organizing forums between the Royal Government and sub-national administrations	1			1		
2	Commune/ Sangkat assembly		1				
4	Documenting lesson learnt on good experience in leading and coordinating reform at the sub-national level		3	3	3	3	3

Priority Activity 1.1.4: Strengthening SNA mechanisms of gender equality, and social equity and inclusiveness

This activity focuses on promoting attention and responding to the problems and needs of women, youth, children, and vulnerable groups in the implementation of IP5-II, especially in the provision of services and basic development by sub-national administrations, in line with the RGC policies and strategic plans and NCDD strategic plan on promoting gender equality for democratic development at the sub-national level and other relevant policies of the Royal Government.

The Gender Working Group of the NCDD Secretariat will play an important role in monitoring and evaluating gender equality policies implemented by sub-national administrations.

Key tasks to be implemented in this priority activity include:

- Strengthening the capacity and fulfilling the roles and responsibilities of the Gender Working Group of the NCDD Secretariat to support the implementation of IP5-II
- Strengthening the implementation of the roles and responsibilities of the gender mechanisms in sub-national administrations in the preparation and implementation of policies, regulations, plans, budgets, staff, service delivery and local development.
- Study and prepare regulations or technical documents for implementing gender policies, as well as monitor and supervise the implementation of gender policies.
- Organize gender audits.

Responsible Agency: NCDD Secretariat, MOI and MoWA
Participating Agency: Relevant ministries, SNAs, DPs and CSOs

Indicators and Targets for Priority Activity 1.1.4

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Organizing meeting of the Gender Working Group of NCDD Secretariat.		4	4	4	4	4
2	Organizing meetings of CP and DMK WCCCs and meetings of CCWC	12	12	12	12	12	12
3	Undertaking gender audits	2		1			1

Expected Output 1.2: Sub-national democratic development reforms are disseminated to increase understanding and broaden support among ministries, institutions, sub-national administrations, citizens, and stakeholders

A broad understanding of stakeholders about the NP-2/ IP5-II and D&D reform is crucial to ensure the participation, support in the preparation and implementation of IP5-II and NCDD AWPB to achieve the vision, objectives, goals, achievements and expected outputs of IP5-II of

NP-2, especially the broad understanding of the citizens about the functions, roles, and duties and the responsibilities of each sub-national administration in providing public services and local development to enhance the power of citizens to participate, monitor, and supervise the performance of sub-national administrations.

During the NP-1, the NCDD prepared and launched a communication strategy for democratic development at the sub-national level and disseminated it widely through various means to ministries, institutions, sub-national administrations, development partners, civil society organizations, and stakeholders. For the NP-2, it is also necessary to review and improve the communication strategy in line with the development of reforms and digital technology to enhance the dissemination of the NP-2/IP5-II, and D&D reform policies broadly and raise awareness among ministries, institutions, sub-national administrations, the public, and stakeholders.

To achieve this expected output, there are 02 priority activities to be implemented, as described below:

Priority Activity 1.2.1: Improve and implement the communication strategy on sub-national democratic development

This activity focuses on finalizing, approving, and implementing the draft strategy on the communication for democratic development at the sub-national level, which was drafted during the IP5-I. It will then be disseminated widely the strategy to ministries, institutions, sub-national administrations, development partners, and civil society organizations, the private sector, citizens, and other stakeholders aim to raise awareness and participate in the implementation of this reform program.

Key tasks to be implemented in this priority activity include:

- Finalize and approve the draft strategy on the communication for democratic development at the sub-national level, including promoting gender equality, and social equity and inclusiveness.
- Preparation and dissemination of the approved communication strategy for sub-national democratic development practices by ministries, institutions, SNAs, development partners, civil society organizations and other stakeholders through various means and tools.
- Preparation of an information kit on decentralization and deconcentration reform, NP-2 and IP5-II including promoting gender equality, and social equity and inclusiveness, and other relevant documents for dissemination.
- Strengthening the organizational structure and officials of NCDDs in charge of communication and information dissemination
- Strengthening the capacity of officials in charge of communication and information dissemination in ministries, institutions, and sub-national administrations on the preparation and dissemination of information.
- Strengthening, improving, and modernizing infrastructure, systems, tools, and materials for digital dissemination.

Responsible Agency: NCDD Secretariat

Participating Agency: Relevant ministries, SNAs, DPs, CSOs and other relevant parties

Indicators and Targets for Priority Activity 1.2.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Approval and implementation of the communication strategy	Draft	Approved				

	for democratic development at the sub-national level						
2	Preparation of information kit on decentralization and deconcentration reforms, NP2, IP5-II, and other related documents for dissemination		Prepare	Impl.	Impl.	Impl.	Impl.
3	Number of information documents about reform work published	10	10	10	10	10	10
4	Number of forums or programs on reform programs promoted	5	5	5	5	5	5
5	Number of monthly visitors to the NCDD Secretariat's media outlets has increased which includes (1). E-library (2) NCDD's website (3) Facebook page (4) Youtube	(1) 12 million (2) 640,000 (3) 42,000 (4) 2,500	Increased	Increased	Increased	Increased	Increased

Priority Activity 1.2.2: Monitoring and evaluation of the communication strategy for sub-national democratic development

This activity focuses on monitoring and ongoing support for the preparation and implementation of activities for disseminating the information at both national and sub-national levels about the decentralization and deconcentration reform program, especially the NP2 and IP5-II, and other related reform programs and policies, with the aim of improving the effectiveness of the implementation of those dissemination activities. Additionally, in 2029, it will be conducting evaluations or surveys to measure the success of implementing the communication strategy.

Key tasks to be implemented in this priority activity include:

- Regular monitoring and support for the preparation and implementation of various dissemination activities at both national and sub-national levels on decentralization and deconcentration reform and other reform programs, especially the dissemination of information about the NP2 and IP5-II.
- Preparing and conducting evaluations or surveys to assess achievements and lessons learned from implementing the communication strategy.

Responsible Agency: NCDD Secretariat

Participating Agency: Relevant ministries and institutions, SNAs, DPs, CSOs and other relevant parties.

Indicators and Targets for Priority Activity 1.2.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Evaluation or survey to measure the achievement of the communication strategy					1	

Expected Output 1.3: IP5-II is implemented effectively and efficiently with participation from all relevant stakeholders

The five-year implementation plan phase 2 of NP2 is the final phase and an important stage in achieving the goal and objective of the NP2 and moving towards achieving the NP2 vision of “citizens benefiting from public services and local development with social equity and inclusiveness.”

To ensure the achievement of the goal, objective, outcomes and expected outputs of IP5-II, it is necessary that the WAPB must be prepared and implemented effectively and with broad consultation and participation from ministries, institutions, sub-national administrations, development partners, civil society organizations, the private sector, and stakeholders. In this regard, the expected results and priority Activities of the IP5-II must be clearly prepared according to the **SMART principles** they must be **simple, measurable, achievable, relevant to real needs and have a specific timeframe**. At the same time, there is a need to monitor and evaluate the progress of the annual implementation of AWPB and evaluation of NP2 as a basis for considering the preparation of the next phase of the national program.

To achieve this expected result, there are 04 priority activities to be implemented, as described below:

Priority Activity 1.3.1: Dissemination and implementation of the five-year implementation plan second (2026-2030)

This activity focuses on launching and disseminating the second phase implementation plan from 2026-2030 to ministries, institutions, sub-national administrations, development partners, civil society organizations, the private sector, and other stakeholders.

Key tasks to be implemented in this priority activity include:

- Organizing and implementing workshop to launch IP5-II
- Printing and dissemination of IP5-II document.

Responsible Agency: NCDD Secretariat

Participating Agency: Relevant ministries and institutions, SNAs, DPs, CSOs and other relevant parties.

Table: Indicators and Targets for Priority Activity 1.3.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
2	Dissemination and put into implementation of IP5-II		1				
3	Dissemination workshop on IP5-II		3	3	3	3	3

Priority Activity 1.3.2: Effective Implementation and Management of IP5-II

This activity focuses on improving the effectiveness of the implementation of IP5-II through the preparation and implementation of the Annual Workplan and Budget (AWPB) of the NCDD and the AWPB of ministries, institutions, and sub-national administrations and other relevant agencies as well as the AWPBs of standalone projects and programs that support the IP5-II. The NCDD AWPB will be reviewed and approved by NCDD.

Key tasks to be implemented in this priority activity include:

- Review, revise, prepare and implement guidelines on the preparation and implementation of the AWPB of NCDD and joint decisions between NCDD and ministries/ institutions and SNAs, as well as dissemination for implementation
- Prepare and implement the NCDD AWPB
- Prepare semi-annual and annual progress reports on the implementation of the AWPB to the NCDD and the Royal Government.

Responsible Agency: NCDD Secretariat

Participating Agency: Relevant ministries and institutions, SNAs, DPs, CSOs and other relevant parties.

Table of Indicators and Targets for Priority Activity 1.3.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Preparation and implementation of the NCDD AWPB	1	1	1	1	1	1
2	Prepare semi-annual and annual reports of NCDD AWPB	2	2	2	2	2	2
3	Prepare semi-annual and annual reports of D&D reform to RGC	1	2	2	2	2	2
4	NCDD guidelines for the formulation of NCDD AWPB		Approved				

Priority Activity 1.3.3: Promoting collaboration with development partners or civil society organizations in leading, coordinating, and implementing the IP5-II

This activity focuses on promoting collaboration and participation of development partners and civil society organizations in the process of preparing, implementing, and managing the IP5-II (both support to core activities of the IP5-II/NCDD AWPB and support to the preparation and implementation of separate projects/programs). At the same time, NCDD will also ensure preparing and implementing policies and guidelines on decentralization and deconcentration reform.

Key tasks to be implemented in this priority activity include:

- Organize coordination meetings with development partners and civil society organizations in the preparation, implementation and management of the AWPB, as well as the preparation of relevant policies and documents
- Organize regular meetings with civil society organizations
- Study and prepare projects/programs supported by development partners and civil society organizations
- Strengthen the implementation of internal audits on projects/programs supported by development partners in accordance with established policies and procedures.
- Coordinate and support the implementation of external audits on individual projects/programs.

Responsible Agency: NCDD Secretariat and MOI

Participating Agency: Relevant ministries and institutions, SNAs, DPs, CSOs and other relevant parties.

Indicators and Targets for Priority Activity 1.3.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Organize meetings of the technical working group on sub-national Democratic Development (TWG-SNDD)	1	1	1	1	1	1
2	Organizing coordination meetings with civil society organizations	1	1	1	1	1	1

Priority Activity 1.3.4: Monitoring and Evaluation of the IP5-II Implementation

This activity focuses on improving the effectiveness of the implementation of the AWPB and standalone programs and projects through strengthening, monitoring, control and evaluation, including the implementation of regular internal and external audits on the implementation of the

NCDD AWPB and the AWPB of ministries, institutions and sub-national administrations, as well as the AWPB of standalone programs and projects that are implemented and managed by the NCDD Secretariat.

Key tasks to be implemented in this priority activity include:

- Review the manual on internal audits NCDD AWPB of NCDDS
- Development and implementation of a data system on the preparation and management of the NCDD AWPB
- Organizing semester meetings with implementing agencies to review progress and challenges in implementing the AWPB.
- Organizing quarterly meetings with standalone projects and programs to review progress and challenges in implementing the AWPB or agreement.
- Conduct governance surveys
- Conduct capacity surveys of SNAs
- Conduct evaluation of the law on the management of CP and DMK administration
- Conduct end evaluation of NP2
- Design next phase national program and implementation plans

Responsible Agency: NCDD Secretariat and MOI

Participating Agency: Relevant ministries and institutions, SNAs, and various programs and projects.

Table Indicators and Targets for Priority Activity 1.3.4

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	NCDDS guidelines on internal audit		Approved				
2	Database system on the preparation of the AWPB	Prepare	Implement				
3	End evaluation of NP2						1
4	Evaluation of Organic Law				1		
5	Conduct governance survey	1				1	
6	Conduct a capacity survey	1				1	
7	Next phase NP						1
8	Implementation plan of next NP						1

Expected Output 1.4.: The structures and functions of central ministries/institutions reviewed and adjusted in line with the progress of the reform in order to strengthen leadership, coordination, and support for SNAs

Within the framework of decentralization and decentralization reforms, in order to improve the efficiency and quality of public service delivery more quickly and respond in a timely and targeted manner to citizens, the Royal Government/ministries, institutions in priority sectors have transferred functions and resources step by step in each phase to sub-national administrations to manage, organize and implement those functions, including the functions of managing and providing health services and the functions of managing state childcare centers, were transferred to the capital and provincial administrations, and 55 functions in 20 key sectors were transferred to the municipal, district and khan administrations. At the same time, the function of providing approximately 800 types of administrative services in 14 sectors has also been transferred to the capital, provincial, municipal, district, and khan administrations, which must be provided to citizens through on window mechanisms.

Based on these transfer of functions, the ministries and institutions transferring functions need to

review and revise their structures and functions, and clearly define the roles and responsibilities of each ministry and institution to be responsible for preparing policies, service standards, technical standards, support, monitoring, and evaluating the effective performance of functions transferred to sub-national administrations, as well as strengthening the accountability of sub-national administrations to national ministries and institutions.

At the same time, it is also necessary to strengthen the roles, duties, and responsibilities of the Ministry of Interior (General Department of Administration, National School of Local Administration, General Department of Internal Audit, General Department of Digital and Educational Promotion, General Department of Human Resources Management, and related general departments) in leading and coordinating with ministries and institutions in supporting (human resources, finance, property, technology, capacity development, etc.) and monitoring, and evaluation of sub-national administrations to ensure the management, management and implementation of functions and resources transferred to sub-national administrations are more effective, transparent, accountable, responsive and equitable.

To achieve this expected output, there are 02 priority activities to be implemented, as described below:

Priority Activity 1.4.1: Review and reorganize the structures of relevant ministries and institutions to support sub-national administrations

This activity focuses on reviewing and adjusting the structure, system, functions, and authority of ministries and institutions that have transferred their functions to sub-national administrations, aiming to improve the implementation of the roles and responsibilities of those ministries and institutions in policy formulation, monitoring and evaluation, including inspection and auditing, capacity development, and support to sub-national administrations with high efficiency.

Key tasks to be implemented in this priority activity include:

- Review and adjust the structure, systems, functions and authorities of ministries and institutions in accordance with the Royal Government’s Directive No. 01 on the Review and Analysis of the Functions and Structure of Ministries and Institutions issued in May 2024.
- Analyse and review the necessary functions and resources of ministries and institutions to be transferred to sub-national administrations.

Responsible Agency: MCS, NCDDS and Functional Transfer Ministries/ Institutions

Participating Agency: Relevant ministries/ institutions

Indicators and Targets for Priority Activity 1.4.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Number of ministries/ institutions reviewed their functions transferred to SNAs	15	15	15	15	15	15

Priority Activity 1.4.2: Strengthening the roles, duties, and responsibilities of the Ministry of Interior

This activity focuses on reviewing, analysing, and adjusting the structure, system, roles, and duties of the General Department of Administration of the Ministry of Interior to clearly and specifically redefine the structure, roles, and duties of this unit for responsibility in leading, coordinating, and support effective and accountable sub-national administration. This work must be carried out in accordance with the Royal Government's Directive No. 01 on the Review and Analysis of the Functions and Structure of Ministries and Institutions, issued in May 2024.

Key tasks to be implemented in this priority activity include:

- Study and analyse the structure and functions of the Ministry of Interior, the leadership and management of territorial administration at all levels in accordance with the Organic Law
- Study lessons and experiences from countries in the region and other countries about the roles, duties and responsibilities of institutions in charge of leading, coordinating and supporting sub-national administration
- Strengthen the responsibility, support and develop the capacity of relevant units of the Ministry of Interior.

Responsible Agency: MOI and NCDD Secretariat

Participating Agency: Relevant ministries and institutions.

Indicators and Targets for Priority Activity 1.4.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	The structure and functions of the Ministry of Interior reorganized.		1				
2	Study report on the roles, duties, and responsibilities of institutions in charge of leading, coordinating, and supporting sub-national administrations			1			

Expected Output 1.5: National Association of SNA Councils is strengthened to serve the interests, and develop the capacity of SNA Councils

Council has been fulfilling its important role and duties in leading the sub-national administration in accordance with the principle of unified administration. In order to support the SNA Councils in fulfilling these roles and duties effectively, the SNA Council Association (National Association of Capital and Provincial Councils and National League of Local Councils) was established to represent the voice, protect the interests and legitimate rights of the councils, and develop the capacity of its members.

During the NP1, the Association of SNA Councils actively fulfilled its roles and responsibilities in developing the capacity of its association and members, including establishing mechanisms at the sub-national level to enhance the effectiveness of the council’s leadership and contributing to the preparation and implementation of policies and regulations related to democratic development at the sub-national level. However, the results of the NP1 evaluation and the mid-term evaluation of the NP2 indicate that the knowledge, capacity and authority of the sub-national councils in carrying out their roles and responsibilities remain issues that need to be further strengthened and addressed in the NP2.

To achieve this expected output, there are 04 priority activities to be implemented, as described below:

Priority Activity 1.5.1: Strengthen the capacity of the National Association of Provincial Capital Councils

This activity focuses on strengthening the capacity of the leaders and the Executive Committee of the National Association of Capital and Provincial Councils to serve the interests, protect the rights, voices, and develop the capacity of members of the Association of Capital and Provincial Councils, aiming to enhance the fulfillment of the roles and responsibilities of the Capital and Provincial Councils in fulfilling their representative roles and serving the interests of the citizens within their jurisdiction.

Key tasks to be implemented in this priority activity include:

- Organize a general assembly of the National Association of Capital and Provincial Councils to reflect on achievements, challenges, and work directions for the next term, as well as elect leaders of the National Association of Capital and Provincial Councils for the next term.
- Organize an annual national association meeting to take stock of work achievements and set work goals for the following year.
- Organize executive committee meetings to monitor progress and challenges in the implementation of the national association's work.
- Organize semi-annual meetings between the leaders of the National Association of CP Councils and the heads of CP councils to discuss the challenges and needs of CP councils.
- Organize meetings of various committees to present suggestions to the leaders of the National Association of CP councils to review and make decisions
- Strengthen coordination, collaboration, and participation with the NCDD Secretariat and relevant ministries and institutions in preparing policies and regulations that are relevant to the interests of the capital, provincial councils, and citizens.
- Promote coordination and collaboration with ministries, institutions, development partners, and civil society organizations in supporting and developing the capacity of members of the National Association, Capital and Provincial Councils.

Responsible Agency: National Association of Capital/ Provincial Council and General Secretariat of SNA Council Associations

Participating Agency: Relevant ministries and institutions, SNAs, and National League of Local Council

Table Indicators and Targets for Priority Activity 1.5.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Annual Meeting of the National Association of CP council	1	1	1	1	1	1
2	Executive Committee Meeting of the National Association of CP Council	1	2	2	2	2	2
3	Meeting between association leaders and CP council presidents	1	2	2	2	2	2
4	Number of General Assembly of the National Association of Capital and Provincial Councils				1		
5	Number of collaboration and support activities of CP council		4	4	4	4	4

Priority Activity 1.5.2: Strengthening Capacity of the National League of Local Councils

This activity focuses on strengthening the capacity of the leaders and the Executive Committee of the National League of Local Councils to serve the interests, protect the rights, voices, and develop the capacity of the National League, aiming to enhance the fulfillment of the roles and responsibilities of municipality, district, Khan, and commune/ Sangkat councils in fulfilling their roles as representatives and serving the interests of the citizens within their jurisdiction.

Key tasks to be implemented in this priority activity include:

- Organize a General Assembly of the National League of Local Councils to reflect on achievements, challenges, and work directions for the next term, as well as elect the

- National League leadership for the next term.
- Organize an annual meeting of the National League of Local Councils to take stock of work achievements and set work goals for the following year.
- Organize an executive committee meeting to monitor the progress and challenges of the work of the National League of Local Councils.
- Promote coordination and collaboration with the National Association of Capital and Provincial Councils
- Strengthen coordination, collaboration, and participation with the NCDDS Secretariat and relevant ministries and institutions in preparing policies and regulations that are relevant to the interests of the National League of Local Councils, and citizens.
- Promote coordination and collaboration with ministries, institutions, development partners, and civil society organizations in supporting and developing the capacity of members of the National League and local councils.

Responsible Agency: National League of Local Council and General Secretariat of SNA Council Associations

Participating Agency: Relevant ministries and institutions, SNAs, and National Association of Capital and Provincial Council, DPs and CSOs

Indicators and Targets for Priority Activity 1.5.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Annual meeting of the National League of Local Councils	1	1	1	1	1	1
2	Executive Committee meeting of the National League of Local Councils	1	2	2	2	2	2
3	Number of General Assembly of the National League of Local Councils				1		
4	Number of dissemination and capacity development activities for members of the National the National League of Local Council of Local Councils		3	3	3	3	3

Priority Activity 1.5.3: Strengthening the Capacity of the General Secretariat of the National Association of SNA Councils

The General Secretariat of the SNA Council serves as the secretariat for the National Association of Provincial and Capital Councils and the National League of Local Councils.

This activity focuses on strengthening the capacity of the Secretariat General of the SNA Councils to fulfill its daily roles and responsibilities to effectively assist the National Association of Capital and Provincial Councils and the National League of Local Councils.

Key tasks to be implemented in this priority activity include:

- Prepare medium and long-term plans for the National Association of SNA Councils
- Prepare annual activity plans and budgets for the SNA Council Association to submit to the Association for review and approval.
- Assist the National Association of SNA Councils in preparing and implementing projects and programs supported by funds from development partners and civil society organizations
- Assist the SNA Council Association in organizing general assemblies and meetings
- Assist the National Association of SNA Councils in coordinating and collaborating with ministries, institutions, subnational administrations, development partners, and

civil society organizations.

- Assist the SNA Council Association in preparing and issuing various regulations
- Coordinate, collaborate, and organize capacity development activities for its staff.

Responsible Agency: General Secretariat of SNA Association Councils

Participating Agency: National Association of SNA Councils, relevant ministries, and institutions

Indicators and Targets for Priority Activity 1.5.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Medium and long-term plans of the National Association of SNA Councils			2			2
2	Annual action plan and budget of the National Association of SNA Councils		2	2	2	2	2
3	Capacity development activities of Secretariat General		3	3	3	3	3

Priority Activity on 1.5.4: Strengthening the Capacity of Branches of the National League of Local Councils

The structure of the National League of Local Councils includes branches of the Association of Local Councils at the capital and provincial levels, and branches of the Association of Local Councils at the municipality, district, and Khan levels, which were established with the aim of supporting the National League of Local Councils in improving the effectiveness of serving the interests of its members and the citizens.

This activity focuses on strengthening the capacity of branches of the National League of Local Councils at the capital, provincial, municipality, district, and Khan levels to fulfill their roles and responsibilities in serving the interests of their members and citizens, as well as coordinating and collaborating effectively with sub-national administrations, development partners, and civil society organizations .

Key tasks to be implemented in this priority activity include:

- Prepare and implement its annual activity plan and budgets of National League of Local Councils
- Organize regular branch meetings at each SNA level.
- Organize capacity development activities for its members through close coordination and collaboration with sub-national administrations, development partners, civil society organizations, and other relevant parties
- Monitor and provide regular support to council members within their jurisdiction.

Responsible Agency: Branch of the National League of Local Councils

Participating Agency: Relevant ministries, institutions, and National Association of Sub-National Administration Councils

Indicators and Targets for Priority Activity 1.5.4

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Annual activity plan and budget of the branch at Capital and provincial level		25	25	25	25	25
2	Annual activity plan and budget of the branch at DMK level		208	208	208	208	208

3	Organize meetings of the provincial and capital branches		4	4	4	4	4
4	Organize meetings of municipality, district, and Khan branches		4	4	4	4	4
5	Dissemination and capacity development activities for branch members in the capital and province		3	3	3	3	3

2. Component 2: SNA Structure and Systems

2.1. Rationale

A strong, clean, and smart public administration structure and management system—one that ensures effective implementation of its functions—is a crucial factor in contributing to the Royal Government’s vision of developing Cambodia into an upper-middle-income country by 2030 and a high-income country by 2050.

Therefore, the reform and modernization of the structure and management system of public administration—to strengthen institutional capacity, enhance integrity within public administration, increase efficiency and innovation in work performance, and improve the delivery of public services to citizens—are key priorities to be addressed during the NP2. At the same time, NP2 highlights the importance of clearly defining the roles and responsibilities of administrations at each level, in order to avoid ambiguity and overlapping among SNA. Furthermore, to ensure quality implementation of functions and public service delivery to citizens, it is necessary to create a conducive environment for encouraging broad-based local administrative initiatives in strengthening institutions that execute functions and delivering services using modern management systems.

During the process of decentralization and deconcentration reform, the structures, management systems, powers, and functions of SNA have been reorganized and continuously adjusted step by step to align with the principles of unified administration and democratic development. Specifically, the structures, management, and powers of Commune/Sangkat administrations were organized under the 2001 Law on CS Administrative Management, and those of Capital, Provincial, Municipal, District, and Khan administrations were organized under the 2008 Law on Administrative Management of Capital, Provinces, Municipalities, Districts, and Khans. In addition, the structures and functions of DMK administrations were further revised through Sub-Decrees No. 182, 183, and 184 (2019) concerning their respective functions and structures, along with several other legal instruments. The structure, administrative management systems, powers, and functions of SNAs have been organized step by step, in successive phases, applying the approach of “**implementing, learning, drawing lessons, and improving.**”

At the same time, priority sectoral functions have been gradually transferred to SNA in the forms of delegation ‘deconcentration’ and assign ‘decentralization’, accompanied by strengthened implementation capacities of SNAs. Additionally, working procedures, monitoring, inspection, and evaluation mechanisms, as well as accountability systems to citizens and cooperation with civil society organizations and local communities, have been incrementally established and implemented at the SNA’s levels.

Through the NCDD, the Royal Government has continuously conducted studies to gather evidence, lessons learned, good practices, and challenges in implementing institutional strengthening, functional assignment, and administrative modernization at the subnational level. In order to establish more resilient, capable, and responsive SNA for improved public service delivery and local development, the NCDD has been conducting studies, assessments, and compilations of lessons and experiences from both domestic implementation and from other countries within and beyond the region. These serve as the basis for analyzing and identifying appropriate options for structuring and enhancing Capital, Provincial, Municipal, District, and Khan administrations.

Accordingly, IP5-II will continue to focus on:

- **Strengthening and structuring subnational administrative institutions** to be resilient, capable, intelligent, and transparent in developing local economies and delivering public services within their jurisdictions—consistent with the principles of

- unified administration, democratic development at the subnational level, and the characteristics of metropolitan, regional, and local (urban and rural) administrations, as well as developing smart cities.
- **Preparing land-use master plans and territorial development plans** for SNA to ensure clear visions and plans for land utilization in development, housing construction, urban and industrial zoning, agriculture, public parks, and the likes in a sustainable manner.
 - **Strengthening the roles, powers, and responsibilities** of subnational councils and administrations to ensure smooth implementation of their roles, responsibilities and function with a strong sense of ownership and accountability to the Royal Government, ministries/institutions, and citizens—through citizen participation, social accountability programs, citizen offices, and internal and inter-administrative accountability.
 - **Encouraging and promoting the participation** of citizens in decision-making process of SNA, implementation, monitoring, evaluation of, and feedback, in order to ensure the improvement of efficient implementation of public service delivery and local development so as to ultimately earn trust from the local citizens in SNA.
 - **Enhancing cooperation with development partners, civil society organizations, and the private sector** through the establishment of cooperation frameworks between SNA and among different subnational entities, as well as promoting **city-to-city partnerships and twinning cooperation**.
 - **Updating the e-governance strategy** and developing digital management systems at the subnational level—including data systems, monitoring and evaluation systems, citizen feedback systems on public services, information dissemination platforms, and mechanisms for handling citizen complaints and requests—while **integrating digital management systems** (including data management) of ministries, institutions, and SNA into a unified system using a **single API (Application Programming Interface)** standard for administrative management and public service delivery.
 - **Studying options for harmonizing inspection/audit mechanisms** of ministries and national institutions toward SNA to ensure coherence, avoid overlaps, and promote joint oversight processes.

2.2. Expected Outcomes

The expected outcome of this component is that “Sub-national administrative institutions are further organized and strengthened to become resilient, capable, smart, and transparent, in accordance with the principles of a unified administration, democratic development, and the characteristics of metropolitan administrations, regional administrations, local administrations, and smart cities.”

2.3. Expected Outputs

Building on the successes and challenges in the implementation of IP5-I, IP5-II’s Component 2 consists of six expected outputs compared to eight during the implementation of IP5-I. The first four original outputs are combined to make a new output as some priority activities have already been implemented while the remaining activities can be combined. Specifically, the combined outputs focused on studies and restructuring of administrative systems and functions of provincial administration into regional administration and those of the capital of Phnom Penh into metropolitan administration in order to respond to changes as well as the reality in terms of urbanization, economy, society, demography, geography, technology and climate change. The review and consideration of this revision aim to strengthen the role and efficiency of SNA in delivering services and development as representatives of local people and the national government.

Key priority activities in the original expected results have also been included in the new expected results, as appropriate, to achieve the expected results in the second phase. Other expected results have undergone some changes in terms of content and priority activities, in order to respond to the results obtained from the past five years of implementation, the continuous changes in national policies, and the participation of stakeholders in the input collection phase. In addition, this second phase also includes a new expected result for implementation in IP5-II on the system and functions of land management and urban planning at the sub-national level.

As a result, IP5-II (2026-2030) has put forward six expected results and 18 priority activities. These six expected results are:

Expected Output 1: The structure, management systems, and functions of SNAs are strengthened and reviewed for refinement in accordance with the characteristics of each type/level of SNA, their respective potential, and the principles of unified administration.

Expected Output 2: Land Management and Urbanization System and Functions at the SNA are strengthened

Expected Output 3: The leadership, working relationships, and accountability of SNA's councils are strengthened.

Expected Output 4: Citizen participation mechanisms are strengthened in order to build and enhance public trust in SNAs

Expected Output 5: The administrative management systems of SNAs are modernized through the development and implementation of digital systems

Expected Output 6: Mechanisms and Systems for Monitoring, Supervising and Evaluating the Performance of SNA are designed, developed, revised and implemented.

Priority activities that will be implemented, along with indicators and targets, to achieve the expected results presented below:

Expected Output 2.1: The structure, management systems, and functions of SNAs are strengthened and reviewed for refinement in accordance with the characteristics of each type/level of SNA, their respective potential, and the principles of unified administration

According to the Organic Law, each SNAs have roles, duties and responsibilities in managing and implementing public service delivery and local development in response to the needs, requests, suggestions and challenges of the local people. In the IP5-I, under the leadership and coordination of the NCDD, the government has also reorganized the structure, management system and functions of the SNAs in accordance with the Organic Law and the decentralization and decentralization policy. However, through the mid-term evaluation of the NP2, it has been shown that the structure, management system and functions of the SNAs are to be further strengthened and reviewed in IP5-II to ensure the enhancement of institutional effectiveness and division of authority and responsibilities between the national government and SNA and between different levels of SNAs are better defined and in response to the changes in socio-economic, urbanization, demographic, geographic, technological and climate change factors.

To achieve this expected output, IP5-II has planned 03 priority activities.

Priority Activity 2.1.1: Strengthening the Implementation of Functions and Structures of SNAs.

This activity focuses on strengthening the implementation of the functions and structures of SNAs that were prepared and implemented during the implementation of the IP5-I.

Key tasks to be implemented in this priority activity include:

- Strengthen the effectiveness of all types of SNAs in managing and organizing their functions, planning, financial resources, operations, assets, personnel, and administrative procedures through technical support, capacity development, the defining of technical standards/service standards and monitoring, inspection, and evaluation by national-level ministries and institutions.
- Strengthen the roles, duties and responsibilities of the capital and provincial administrations in technical support, capacity development, monitoring, supervision and evaluation of the municipal, district, khan and commune administrations in leading, managing and implementing functions, plans, financial resources, procurement, assets, personnel and work procedures and addressing challenges
- Strengthening the roles, duties and responsibilities of the municipal, district administrations in technical support, capacity development, monitoring, supervision and evaluation of the commune administrations in leading, managing and implementing functions, plans, financial resources, procurement, assets, personnel and work procedures and addressing challenges
- Study the possibility of transferring some health functions from the capital and provincial administrations to the municipal, district, khan and commune administrations Sangkat as well as the possibility of transferring and establishing health offices of city, district, and khan administrations to provide health services to citizens efficiently and with accountability.

Responsible Agency: MOI, NCDDS and SNAs

Participating Agency: Relevant Ministries/Institutions

Indicators and targets for Priority Activity 2.1.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Study on transfer of functions in health sector to DMK administrations		Undertaken				
2	% of functions transferred to DMK having implementation guidelines		100%				

Priority Activity 2.1.2: Reviewing and Adjusting the Structure, Functions, Governance Systems and Resources of DMK and CS

This activity focuses on reviewing the structure and functions of municipality, district and commune/sangkat administrations in accordance with the characteristics of cities, urban and rural areas and in accordance with the geography, demographics and socio-economic potential of each administration in order to strengthen municipality, district and commune/sangkat administrations as the frontline local administrations in providing public services and local development.

The main tasks to be implemented in this priority activity include:

- Study and assess the structure and functions of municipality and district administrations to organize these administrations appropriately according to their size (large, medium, small, based on geographical and demographic conditions) and type of administration (municipality, urban and rural areas)
- Determine the criteria for defining cities and districts as large, medium and small
- Determine the criteria for organizing as municipality administrations and commune/sangkat administrations
- Organize smart cities.

Responsible Agency: MOI and NCDDS

Participating Agency: Ministries, Institutions and SNAs

Indicators and targets for Priority Activity 2.1.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	Study report on structure and functions of MD administrations		1				
2	Criteria to determine sizes of MD (small, medium, large)		1				
3	Criteria to organize municipality and sangkat administrations		1				

Priority Activity 2.1.3: A study of options for reforming the structure, management systems, and functions of the Phnom Penh Capital Administration to transform it into a metropolitan administration, and of provincial administrations to transform them into regional administrations

In IP5-I, NCDD led and coordinated the study, collected and compiled lessons and experiences from several countries both within and outside the region on the organization of the structure, management system and functions of the metropolitan and regional administrations, and conducted a study and assessment of the actual situation of the implementation of the functions and structures of two provincial administrations, two cities and two districts. In IP5-II, it is necessary to continue this study in depth and more widely.

The main tasks to be implemented in this priority activity include:

- Continue the study and prepare a report on the results of the study on the structure, management system and functions of the capital and provincial administrations
- Identify options for adjusting the structure, management system and functions of the Phnom Penh administration with the characteristics of a metropolitan administration, based on the results of the study for submission to NCDD and the Royal Government for review and decision
- Identify options for adjusting the structure, management system and functions of the provincial administration with the characteristics of a regional administration, based on the results of the study for submission to NCDD and the Royal Government to review and decide
- Prepare a draft legal document to adjust the structure, management system and functions of the Phnom Penh administration to have the characteristics of a metropolitan administration
- Prepare a draft legal document to adjust the structure, management system and functions of the provincial administration to have the characteristics of a regional administration.

Responsible agency: MOI and NCDD

Participating agency: Ministries, Institutions and SNAs

Indicators and targets for Priority Activity 2.1.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	Study report on structure, management and functions of capital city and provincial	Ongoing	1				
2	A legal document concerning transforming the Phnom Penh administration into metropolitan administration			Draft	Draft	Adopted	

3	A legal document transforming provincial administration into regional administration			Draft	Draft	Adopted	
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Expected Output 2.2: Land Management and Urbanization System and Functions at the SNA are strengthened

SNAs have played an important role in responding to the development needs of local people in accordance with the policy framework and various regulations issued by the Royal Government. In this sense, local land management and use are determinants of strategic economic development.

In other words, the land use master plan and land use plan at the SNA form a roadmap for its local development by defining land use areas and various necessary infrastructures, including residential areas, commercial and industrial areas, urban areas, agricultural areas, state assets, conservation areas, public parks, etc. Therefore, it is necessary for the SNA to have the capability to develop and regularly update land use master plans and land use plans for land use, as well as mechanisms and plans for implementing these land use plans, in order to achieve its basic socio-economic goals.

Currently, some SNA have prepared their respective land use master plan and land use plan including land use master plan of Phnom Penh capital, land use plan in three provinces, land use master plans in 25 DMKs and 255 commune/Sangkat land use plan. Other SNAs do not have their own land use plan and land use master plan, which is the priority in IP5-II.

SNA that already have master plans have not yet used them thoroughly and need to update them in line with reality to respond to changes in the economy, society, demographics, geographical conditions and natural resources, as well as natural and climatic risks.

To achieve this expected outcome, two priority activities have been put in place:

Priority Activity 2.2.1: Strengthening land and urbanization management at the SNA

This activity focuses on strengthening land management and urban planning mechanisms at sub-national administrations, aiming to ensure the preparation and full implementation of land management plans, land use master plans, and land use plans in the territories within their jurisdictions in accordance with the regulations in force. Key tasks in this priority activity include:

- Strengthen the implementation of the roles and responsibilities of the Land Management and Urban Planning Committee at the Capital, Provincial, city, District, Khan and Commune, and strengthen working relationships and cooperation between the Land Management and Urban Planning Committees at the Capital and Province with DMKs.
- Develop capacity, provide technical support, tools, means and resources to each competent sub-national administration in preparing land management plans, land use master plans and land use plans.
- Prepare work plans and time frames for the preparation and development of land management plans, land use master plans and land use plans.

Responsible agency: MOI, Ministry of Land, Urban Management and Construction, and SNAs

Participating agency: Relevant Ministries, Institutions

Indicators and targets for Priority Activity 2.2.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	% of CP having work plan for preparation and development of land use plan and master plan		100%				
2	% of DMK having work plan for preparation and development of land use plan and master plan		50	100%			

Priority Activity 2.2.2: Preparation and updating of land-use planning, master plans of SNA

This activity focuses on the following tasks:

- Each SNA shall prepare and update land management plans, land use master plans, and land use plans for its own localities in accordance with applicable principles and procedures.
- SNAs shall disseminate land management plans, land use master plans, and land use plans widely to ensure effective participation in implementation.

Responsible agency: MOI, Ministry of Land, Urban Management and Construction, and SNAs

Participating agency: Relevant Ministries and Institutions

Table Indicators and Target for Priority Activity 2.2.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	# of Capital and Provincial administrations preparing land use plan	4	10	15	18	22	25
2	# of DMK administrations having land use plan and master plan	25	5	10	15	20	33
3	# of CS administrations having land use plan	255	30	50	100	163	163

Expected Output 2.3: The leadership, working relationships, and accountability of SNA's councils are strengthened

Each SNA can perform its work effectively, transparently, and with accountability to the citizens and the Royal Government only if the council, which is a legal entity under public law, has the capacity, authority, and clear responsibility for leadership, decision-making, issuing orders and resolutions, and monitoring and supervising the performance of its administration in accordance with the Organic Law.

To achieve this expected outcome, IP5-II has planned 03 priority activities as follows:

Priority Action 2.3.1: Strengthening, Reviewing and Adjusting Committees of SNA Councils

SNA's council committees have been established in accordance with the legal framework and legal norms to act as a support mechanism for the work of the council. The council committees that have been established so far have played an important role in supporting the council. At the same time, some council committees have not yet been actively working, which require attention to strengthening their capacity and adjusting respond to local needs and national development strategies. Therefore, these committees need to be reviewed, revised and/or newly established to ensure that they support the council in carrying out its duties effectively and being accountable to the citizens.

Therefore, these committees need to be reviewed, revised, and/or newly established to ensure that they support the Council in carrying out its roles and responsibilities effectively and are accountable to the citizens.

Key tasks to be implemented in this priority action include:

- Strengthen the capacity of the various committees that have been established so they can effectively fulfill their role in providing advice to their respective councils.
- Review and reassess the various committees that have been established, in order to provide a basis for strengthening accountability and for examining and refining them.

Responsible agency: MOI and NCDDS

Participating agency: SNAs, Relevant Ministries, Institutions and ASAC

Table Indicators and targets for Priority Activity 2.3.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	Evaluation report of the existing committees of the SNA council			1			

Priority Activity 2.3.2: Strengthening the Secretariat of the SNA Councils

In the past, although the capital, provincial, municipality, district, and khan administrations have established units to be in charge of the secretariat, the performance of this unit at the municipality, district, and khan levels has not yet been well-functioning due to capacity, human resource, and accountability issues. Therefore, the next five-year plan needs to focus on strengthening this secretariat to make its work more effective.

Key tasks to be implemented in this priority activity include:

- Strengthen the capacity of the Council Secretariat officials
- Review and assign suitable staff for the work of the Council Secretariat
- Strengthen the responsibilities of the Council Secretariat in accordance with the assigned roles and duties.

Responsible agency: MOI

Participating agency: Relevant Ministries, Institutions and ASAC

Table Indicators and targets for Priority Activity 2.3.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	% of DMK with council secretariat received training		50%	100%			

Priority Activity 2.3.3: Strengthening working relationship and accountability of SNA councils to the citizens

Strengthening the communication and accountability of the SNAs Council to the citizens is an important and necessary task. Key tasks to be implemented in this priority activity include:

- Strengthening the communication of the SNA Council with the citizens through organizing public forums and direct meetings with citizens, as well as using various media outlets to ensure the provision of information to citizens about the performance of its work and receiving requests and suggestions from citizens, especially women, children and other vulnerable groups.
- Strengthening the accountability of the Sub-National Administrative Council to the citizens through (1). Consulting with citizens in the preparation of policies, development plans, project preparation and decision-making of the SNA (2). Providing basic services and development to effectively address and respond to the needs and requests of citizens and distributing benefits to citizens in a fair and socially equitable manner and (3). Enhancing the authority of citizens to monitor, supervise and evaluate the performance of the SNA by organizing a mechanism for monitoring and supervising by the citizens to ensure that the SNA performs its work effectively, transparently and equitably

Responsible Agency: SNAs

Supporting Agency: Relevant ministries and Institutions and Civil Society Organizations

Table Indicators and targets for Priority Activity 2.3.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	% of CP organized annual forum as planned		100%	100%	100%	100%	100%
2.	% of DMK organized annual forum as planned		100%	100%	100%	100%	100%

Expected Output 2.4: Citizen participation mechanisms are strengthened in order to build and enhance public trust in SNAs

Citizen participation mechanisms need to be strengthened to enhance citizens’ trust in SNA. Currently, various mechanisms are implemented to strengthen citizen participation in local government decision-making processes, such as annual development planning, financial planning, and social accountability mechanisms. These mechanisms are important steps towards strengthening inclusive, transparent, responsive, and equitable decision-making processes at the sub-national level.

Nevertheless, these mechanisms have not yet been updated with effective tools and methods, resulting in missed opportunities to strengthen participatory decision-making at the sub-national level. Likewise, the provision of clear and accessible information is essential for empowering citizens and stakeholders to participate in enhancing the effectiveness of service delivery and local development by SNAs. Furthermore, timely and responsive coordination and resolution of citizen complaints related to service delivery—an important factor in building public trust and participation in sub-national decision-making processes—also needs to be further strengthened.

To achieve this expected result, IP5-II has planned 04 priority activities as follows:

Priority Activity 2.4.1: Strengthening Mechanisms to Provide Information to Citizens

This activity focuses on strengthening the accountability of SNAs to citizens by promoting the dissemination of information to citizens in a comprehensive, quality and transparent manner about decisions, resource use, public service delivery, local development of SNAs and other necessary information related to the rights, obligations/roles and livelihoods of citizens through all means of information provision.

Key tasks to be implemented in this priority activity include:

- Establish specific responsible units in each SNA and strengthen capacity and accountability for providing information to citizens.
- Support SNAs in implementing strategies on disseminating information to citizens by creating or updating websites and social media.

Responsible agency: MOI and NCCDS

Participating agency: Relevant Ministries/ Institutions, SNAs and CSOs

Table Indicators and targets for Priority Activity 2.4.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	% of capital and province having (1) website, (2) Facebook, and (3) Telegram Channel	1). 100% 2). 88% 3). 72%	1). 100% 2). 100% 3). 100%	1). 100% 2). 100% 3). 100%	1). 100% 2). 100% 3). 100%	1). 100% 2). 100% 3). 100%	1). 100% 2). 100% 3). 100%

2	% of DMK administration having (1) website, (2) Facebook, and (3) Telegram Channel	1). 2.3% 2). 92% 3). 24%	1). 10% 2). 100% 3). 50%	1). 20% 2). 100% 3). 100%	1). 30% 2). 100% 3). 100%	1). 40% 2). 100% 3). 100%	1). 50% 2). 100% 3). 100%
3	% of CS administrations have (1) website, (2) Facebook	1). 78% 2). 19%	1). 100% 2). 100%	1). 100% 2). 100%	1). 100% 2). 100%	1). 100% 2). 100%	1). 100% 2). 100%

Priority Activity 2.4.2: Strengthening and Expanding Social Accountability Program

Social accountability has played an important role in providing citizens with information about the public services of SNAs and in promoting citizen participation in monitoring and evaluation to improve service quality. Currently, however, the implementation of this work has not yet been expanded to all municipal, district, khan, commune, and sangkat administrations nationwide. Social accountability activities are organized and supported through projects and programs funded by various development partners, and the implementation processes of these initiatives have not yet been fully integrated into the institutional mechanisms of SNAs.

Therefore, this activity focuses on:

- Continue to strengthen and expand the target areas (CS and DMK) and service scope of social accountability work
- Prepare and implement social accountability implementation plans, phase 3, and strengthen the roles of capital and Provincial administrations in supporting social accountability work activities
- Implement a sustainable social accountability strategic plan at the CS level.

Responsible agency: NCDDS

Participating agency: Relevant Ministries and Institutions, SNAs, DP and CSOs

Table Indicators and Targets for Priority Activity 2.4.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	% of CS implemented social accountability work	94%	100%				
2	% of DM implemented social accountability work	26%	26%	40%	60%	80%	100%
3	Social Accountability Sustainability Strategy for CS administrations		1				

Priority Activity 2.4.3: Strengthening the Mechanism for Receiving and Solving Complaints through non-judicial means and Requests and Proposals of Citizens

The mechanism for receiving and resolving complaints through non-judicial and responding to requests from citizens is an important means for increasing citizens' trust in the leadership, management, administration, implementation of functions, use of resources and provision of public services of sub-national administrations. Through this mechanism, SNAs can also receive feedback (suggestions for improvement, praise and criticism) which is the basis for strengthening and improving their leadership, management and performance.

Key tasks to be implemented in this priority activity include:

- Strengthen the capacity and accountability of the Citizens' Office, the unit in charge of receiving and resolving complaints and requests from citizens in sub-national administrations
- Prepare and improve procedures for receiving and mediating and resolving complaints and requests from citizens

- Prepare and update the complaint, request and response program for sub-national administrations.

Responsible agency: MOI and NCDDDS

Participating agency: Ministry of Justice and SNAs

Table Indicators and Target for Priority Activity 2.4.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	% of complaints and requests solved/responded by ombudsman at CP/DMK	80%	85%	85%	90%	90%	90%
2	% of complaints solved by responsible units at CP/DMK		80%	82%	84%	86%	90%
3	# of Capital and Provinces using “Mati Yoeung” (Our Opinions) phone application	10	25	25	25	25	25
4	% of DMK administrations using “Mati Yoeung” (Our Opinions) phone application			20%	40%	70%	100%

Priority Activity 2.4.4. Promoting the Participation of CSOs in the sub-national democratic development process at SNA

The participation of civil society organizations (CSO’s) is important for strengthening citizen participation and mobilizing resources for public service delivery and local development, especially for responding to the needs of vulnerable groups including women, children, ethnic minorities, the elderly, people with disabilities, etc. Therefore, promoting the participation of CSOs in democratic development at the sub-national level should receive attention and be implemented regularly within a framework of cooperation in a spirit of brotherhood and honesty to promote service delivery and local development.

This priority activity focuses on:

- Develop a framework for cooperation between SNA and CSOs
- Organizing regular meetings between the Capital, Provincial administrations and civil society organizations to promote the participation and suggestions of civil society organizations in service delivery and local development, as well as the dissemination and sharing of information.

Responsible agency: SNAs and CSOs

Participating agency: MOI, Relevant Institutions and NCDDDS

Table Indicators and Targets for Priority Activity 2.4.4

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Cooperation framework for SNAs and CSOs		study	Adopted			
2	% of CP organized regular meetings with CSOs		100%	100%	100%	100%	100%

Expected Output 2.5: The administrative management systems of SNAs are modernized through the development and deploying of digital systems

Modernizing the management system of SNA through the adoption of digital technology is essential for improving decision-making efficiency, service delivery and economic development. In this sense, digitalization is essential, especially for human resource management systems, financial resource management systems, project management systems and other data management systems. All these systems play an important role for SNA as well as other relevant ministries and

institutions in decision-making, planning, resource mobilization and coordination with other stakeholders for the benefit of service delivery, investment and economic development, as well as disaster management and climate change impacts.

The past 5 years of implementation have achieved many achievements by deploying administrative management systems of SNA, including human resource management systems and financial management systems, etc. Therefore, the use of these digital systems must be continued and further strengthened. Likewise, some digital systems must be improved to respond to the actual situation at the grassroots level.

To achieve this expected result, IP5-II has planned 02 priority activities as follows:

Priority Activity 2.5.1: Strengthening and Expanding Connection to the Internet Infrastructure

SNAs have progressively expanded their internet connectivity, with capital and provincial administrations achieving 100% connectivity, municipal/district/khan administrations reaching 84%, and commune/Sangkat administrations reaching 67%. During IP5-II will continue to expand internet network infrastructure to rural areas (districts and communes) to ensure that SNAs in these areas can access internet and prepare their administrations for digital transformation.

Responsible agency: Ministry of Post and Telecommunication and MOI

Participating agency: Relevant Ministries/ Institutions and SNAs

Table Indicators and Targets for Priority Activity 2.5.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	% of DMK administrations connected to internet	85%	87%	90%	93%	96%	100
2	% of CS administrations connected to internet	67%	73%	79%	85%	95%	100%

Priority Activity 2.5.2: Develop and deploy Digital System for SNA Management Systems

This activity will focus on:

- Study and design a digital system for administrative communication of SNA
- Study and design a digital system for administrative communication at SNAs.
- Strengthen, improve and expand the information dissemination and feedback system from citizens through digital systems at SNAs.
- Strengthen the use of the complaint management system and other information of the Ombudsman’s Office.
- Develop a digital system for Human Resource Management Information System (HRMIS) of SNA.
- Improve and strengthen the use of the Finance Management Information System (FMIS), the State Asset Register Management Information System (SARMIS), and the Non-Tax Revenue Management Information System (NRMIS)
- Study and design a digital planning system of SNA and improve and promote the Commune Database (CDB), the implementation of the SNA Project Implementation Database (PID), the SNA Project Database (SPD), and strengthen the use of IT programs for managing and providing services at the One Window Service.

Responsible agency: MOI, Ministry of Posts and Telecommunication, MEF, Ministry of Planning and Ministry of Civil Services, and NCCDS,

Participating agency: SNAs, Relevant Ministries/ Institutions and DPs

Table Indicators and Targets for Priority Activity 2.5.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	# of CP administrations using digital system for administrative communication works		2	10	15	20	25
2	# of DMK using digital systems for administrative communication works		2	20	30	50	100
3	Information Technology for Human Resource Management at SNA		1				
4	FMIS v.2 (Portal V2) is used at DMK	44 DMKs	51DM	115 D	550 CS	550 CS	552 CS

Expected Output 2.6: Mechanisms and systems for monitoring, inspection, and evaluation of the performance of SNAs are developed, refined, and implemented

To date, powers, sectoral functions including human and financial resources have been gradually transferred to SNAs, enabling them to become increasingly capable and effective in delivering services and promoting local development. This has strengthened their ability to respond to citizens’ needs and to address local challenges in a timely, targeted, and efficient manner.

However, as more powers, functions, and resources are transferred to SNAs, the Royal Government and national ministries and institutions must establish a clear system for monitoring, inspection, and evaluation to ensure that SNAs lead, manage, and implement their functions—and exercise the powers and resources transferred to them—in accordance with laws, regulations, policies, procedures, and established service standards. This is essential for maintaining the confidence of the Royal Government, national ministries and institutions, and especially citizens and local communities.

At the same time, the mechanisms and systems for monitoring, supervising, and evaluating the performance of SNAs also need to be harmonized among the mechanisms and systems for monitoring, supervising, and evaluating the performance of ministries and related institutions to ensure the enhancement of the autonomy of SNAs and reduce the workload and time of SNAs subject to multiple monitoring and evaluations by ministries and related institutions. These mechanisms and systems need to be established with the aim of strengthening the efficiency and effectiveness of SNA’s performance in order to gain the trust of the citizens, the Royal Government, and relevant parties.

To achieve these expected results, the IP5-II has planned 03 priority activities as follows:

Priority Activity 2.6.1: Strengthening Internal Control Mechanism of SNAs

This activity focuses on:

- Strengthen the implementation of the roles and responsibilities of the internal audit offices of municipal and district administrations through the preparation and training on internal audit principles and procedures for relevant officials of municipal and district administrations.
- Establish an internal audit unit of the capital and provincial administrations and prepare and train relevant officials of the capital and provincial administrations on internal audit principles and procedures.
- Study the options and possibilities of organizing internal audits for commune administrations.
- Support and monitor the internal audit process in SNAs.

Responsible agency: Ministry of Economics and Finance, MOI, and NCDDS

Participating agency: Relevant Ministries/ Institutions

Table Indicators and Targets for Priority Activity 2.6.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	Internal audit principles and procedures for DMs	Draft	Adopted				
2	% of DM administration received training on internal audit principles and procedures			100%			
3	# of CP administrations established internal audit unit			25			
4	% of DMK administration implementing internal audit			50%	100%		

Priority Activity 2.6.2: The development of regulatory instruments and technical guidelines for establishing and strengthening inspection mechanisms for SNA

The main tasks in this activity are:

- Review on current the mechanisms, procedures and challenges of inspections of ministries and relevant institutions on the performance of SNA. In addition, this activity will analyze, collect and compile lessons and experiences on inspection mechanisms from higher administrations on the performance of SNA that have been implemented in various countries to identify suitable options for the design and implementation of inspection mechanisms for SNA that ensure the harmonization of inspection mechanisms in various sectors of each ministry and relevant institution. The identification of options should focus on:
 - The possibility of strengthening the national inspection system for SNA in line with the policy of decentralization and deconcentration and ensuring that there is no significant disruption to the performance of SNA as autonomous unified administrations
 - The possibility of establishing mechanisms at the Capital and Provincial levels to be responsible for inspecting the performance of local administrations (Municipalities, Districts and Communes)
 - Inspection processes (methods, tools and reports)
 - The development of a system of incentives and sanctions for SNA based on the results of inspections.
- Based on the options, which have been widely consulted with ministries, relevant institutions and SNA, it is necessary to revise and/or develop legal documents for the establishment of a systematic inspection mechanism that ensures the harmonization of inspections of SNA and prepare detailed technical guidance documents for conducting these inspections.
- Conduct inspection of the performance of SNA in accordance with the established mechanisms, principles and procedures.

Responsible agency: MOI and NCDDS

Participating agency: Relevant Ministries/ Institutions and SNAs

Table Indicators and Targets for Priority Activity 2.6.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	Study on feasibility of establishing a unified inspection mechanism for SNAs		1				
2	Legal regulation and technical guideline for inspection mechanism for SNAs			1			

Priority Activity 2.6.3: Establishing systems for monitoring and evaluating leadership, management and performance of SNA

In addition to internal and external inspections and audits of the performance of SNA, annual monitoring and evaluation of the leadership and management of SNA is also an important task in ensuring that each SNA manages, administers and uses their powers and resources in accordance with the law, legal regulations, principles, procedures and service standards, aiming to gain the trust of the Royal Government, relevant ministries and institutions, especially from citizens and local communities.

This priority activity focuses on establishing and implementing an annual monitoring and evaluation system for the leadership and management of SNA.

Responsible agency: MOI

Participating agency: Relevant Ministries and Institutions and SNAs

Table Indicators and Targets for Priority Activity 2.6.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1.	A monitoring, inspection and evaluation system is prepared		1				
2	% of SNAs implementing annual monitoring, inspection and evaluation system			100	100	100	100

3. Component 3: SNA Human Resource Management and Capacity Development

3.1. Rationale

The Royal Government has continuously issued policies and legal instruments to set up and improve the personnel management system at SNAs, including: (i) Policy on Human Resource Management and Development at SNAs; (ii) Separate Statutes for Sub-National Administrative Staff; (iii) Delegation of Authority to sub-national administrations for managing personnel working at the sub-national level; (iv) Procedures for Managing Sub-National Administrative Personnel; and (v) Various Other Legal Instruments related to SNA human resource management.

In addition, the first angle of the seventh legislature's Pentagonal Strategy identifies human resource development as a priority. The core of the strategy focuses on reform and modernization of state institutions to become a modern public administration that is highly capable, efficient, intelligent, and transparent. It also sets five key priorities: people, roads, water, electricity, and technology.

The second dimension of the core strategy emphasizes enhancing human resource capacity and improving work efficiency, while the third point of the first dimension prioritizes strengthening the capacity for human resource management and development at SNAs through delegation of authority and responsibility for recruitment, management, deployment, and utilization of personnel.

During the implementation of IP5-I, based on the process of transferring functions and delegated authority as stipulated by relevant legal instruments, the Royal Government and ministries transferred personnel to be under the management of SNAs, totaling over 100,000 individuals. Among these include approximately 7,500 staff from the Ministry of Interior, more than 70,000 teachers from MoEYS, over 20,000 medical personnel from MOH, and about 7,500 technical staff from various sectors. As of now, Capital and provincial administrations have more than 25,000 staff, and municipal, district, and khan administrations have more than 80,000 staff.

Therefore, the IP5-II must continue to strengthen and improve the personnel management system, develop the capacity of SNA's staff, and reinforce training institutions. This includes focusing on reviewing, revising, organizing, and strengthening the implementation of policies, laws, and legal instruments related to human resource management, such as: recruiting and organizing staff according to specific needs in terms of numbers and professional skills; performance-based evaluation and motivation of staff; establishing information technology systems for personnel management; increasing the number of women in managerial roles; developing competency frameworks; improving the quality of curricula and training methods; strengthening the capacity of the National School of Local Administration and provincial/municipal human resource offices; and enhancing ownership of sub-national administrations in determining training needs and preparing capacity development plans for their staff.

3.2. Expected Outcomes

The expected outcome of Component 3 is: "Sub-National Administrations have authority to recruit, manage, assign, and utilize their personnel based on their workload requirements and financial capacity, and have competent personnel with a strong sense of ownership, loyalty, and professional integrity, in accordance with their prescribed roles, duties, and responsibilities."

To achieve this outcome, the IP5-II must continue to improve the effectiveness of personnel management, strengthen the capacity of sub-national administrative staff to become a robust human resource base, and reinforce training institutions. This will be done by enhancing the full responsibility of SNAs in recruiting, managing, and utilizing their personnel in compliance with formal legal instruments. In this regard, SNAs must have an adequate number of staff with the

necessary competencies and professional skills to effectively fulfill their roles and responsibilities. Therefore, IP5-II will continue to focus on:

- Strengthening personnel management at sub-national administrations and supporting the exercise of their authority in managing staff through reviewing and revising certain legal instruments related to personnel management, such as developing operational procedures for staff recruitment based on contracts and civil service regulations, policies to motivate sub-national staff, and defining professional positions within sub-national administrations.
- Improving work performance of sub-national administrative officers, including discipline, ethics, working conditions, and defining the structure of civil service bodies to ensure proper organization, management, deployment, and utilization of officers according to their respective professions, as well as establishing a performance-based evaluation system for sub-national staff.
- Studying the establishment of staffing ceilings for each unit within sub-national administrations to help reduce personnel expenditure burdens.
- Strengthening capacity development mechanisms at both national and sub-national levels to ensure the provision of regular, high-quality capacity-building services for leaders and sub-national staff in administrative and professional areas to effectively implement their roles, duties, and functions.
- Developing SNA Human Resources Information Management System
- Enhancing ownership of sub-national administrations in determining training needs, preparing plans and budgets for capacity development, and delivering training to their personnel.

3.3. Expected Outputs

The expected results in Component 3 of IP5-II have been revised to only 4 expected outputs. In comparison, Component 3 of IP5-I contained up to 10 expected outputs. This reduction is because some of the expected outputs have already been achieved during the implementation of IP5-I, while others have been reclassified as priority actions. Therefore, Component 3 of IP5-II contains only four expected outputs, as follows:

Expected Output 1: The authority and responsibility for personnel management of SNAs are strengthened, with consideration given to promoting gender equality

Expected Output 2: Performance-Based Management System is developed and implemented.

Expected Output 3: The capacities of councils and staff of SNAs are enhanced.

Expected Output 4: Training institutions responsible for developing the capacities of SNA's personnel are strengthened.

Priority activities to be implemented in order to achieve each expected output—including indicators and targets for measuring progress—are described below the respective expected outputs below.

Expected Output 3.1: The authority and responsibility for personnel management within SNAs are strengthened, with consideration given to promoting gender equality

To ensure sub-national administrations possess the authority and responsibility to effectively and efficiently manage, organize, and utilize their personnel, the Royal Government has continuously issued policies and various legal instruments for the arrangement and improvement of personnel management systems at the sub-national level. Nevertheless, in light of recent policy developments and government reform programs, and to further strengthen the management, organization, and accountability of SNAs in accordance with the delegated authority, it is

necessary to develop new legal instruments related to the developing of classification standard of civil servants, operational procedures for the selection of officials based on merit, transparency, justice, inclusiveness, social equity, incentive policies, and the promotion of the number of women in management positions at the SNA level, among others.

To achieve this expected output, IP5-II has planned **5 priority activities** as following priority activities:

Priority Activity 3.1.1: Review and revise specialized-classification standard of civil servants

Based on the functional transfer process to SNAs, approximately 100,000 sectoral staff have been transferred under the direct management of SNAs. Therefore, to ensure the appropriate integration of these positions into the respective specialized-professional standard and to strengthen the effectiveness of managing, organizing, and deploying personnel according to each professional specialization, this priority activity will focus on key tasks as follows:

- Reviewing and reorganizing specialized-classification standards of civil servants related to positions within SNAs, such as health, education, general administration, and technical specialization, by clearly defining frameworks, ranks, and grades in line with qualifications and competencies for recruitment and appointment. This also includes establishing incentive mechanisms through appropriate rank and grade structures aligned with positions and responsibilities.
- SNAs must re-assign staff according to the approved specialized-classification standard of civil servants.

Responsible Agency: MCS, MOI, and concerned Ministries

Participating Institutions: Relevant ministries and institutions, and SNA.

Indicators and targets for Priority Activity 3.1.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Royal Decree on health personnel classification standard	Draft	approved				
2	Royal Decree on teacher classification standard	Draft	approved				
3	Royal Decree on administrative classification standard		Draft	approved			
4	Royal Decree on technical classification standard		Draft	approved			

Priority Activity 3.1.2: Development of Standard Operating Procedures for Competitive Examinations to Recruit Civil Servants and Contract-Based Officials at SNAs

Currently, SNAs, particularly provincial, municipal, and district administrations—face significant challenges due to a shortage of personnel, especially staff with technical expertise. Since 2021, the Royal Government has suspended the recruitment of new civil servants for SNAs. In addition, each year a significant number of officials retire, resulting in an increasingly severe shortage of personnel within SNAs

Specifically, the number of specialized staff across 20 sectors who were transferred in 2020 was 7,548. By 2025, this number decreased to 5,669, representing a reduction of 1,879 staff members (25%). Overall, the number of specialized officials in almost every sector has declined due to retirements, transfers, deaths, and other reasons, except for the sector of land management, urban planning, and construction, which increase of 44 staff members. This number is expected to decrease further in 2026 and 2027, which will make it difficult for SNAs to effectively implement

the functions and manage the resources that have been transferred to them, as well as to oversee and manage essential local affairs.

If we look at the average number of officials per municipality, district, or khan (excluding the council, administrative directors/deputy directors, and education staff), there are 35 officials on average. Examining the number of officials per office (including both administrative and specialized staff), we find that, on average, each office (excluding the education office) has about 2.7 officials (ranging from 1 to 6 officials per office, including the head, deputy head, and staff).

To ensure the recruitment of civil servants and contract officials at the sub-national administration level is conducted with integrity, transparency, fairness, accountability, merit, and suitability—and in accordance with established regulations—the following key priority actions must be implemented:

- Developing standard operating procedures (SOP) for competitive examinations to recruit civil servants and contract-based officials at sub-national administrations
- Disseminating and SNAs training how to use SOP
- Enabling sub-national administrations to organize competitive recruitment examinations for civil servants and contract-based officials in compliance with the established procedures

Responsible Agency: MoCS, MOI, and NCDD Secretariat

Participating Agency: Relevant ministries/institutions and SNAs.

Indicators and targets for Priority Activity 3.1.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	SNA SOP for staff recruitment		1				
2	% DMK implementation of SOP			10%	50%	70%	100%
3	% CP implementation of SOP			50%	100%		

Priority Activity 3.1.3: Establish policies to incentivize and motivate SNA’s personnel.

Currently, the lack of human resources in both quantity and quality at SNAs remains a major challenge. Despite the increasing transfer of functions and responsibilities for local development and service delivery to SNAs, these challenges persist due to the lack of attractive positions, ranks, and allowances for various positions at SNAs. Therefore, to attract and retain competent, experienced, and professionally qualified personnel to serve in SNAs, IP5-II must review and develop appropriate incentive policies—both financial and non-financial (including positions, classification, ranks, commendations, medals, etc.)—for SNA’s staff, in order to ensure the effective delivery of services to citizens. This activity focuses on:

- Conduct study on options for providing incentives to officials working at SNAs.
- Develop and implement policies and regulations on providing incentives to SNA’s officials.

Responsible Agency: NCDSS MOI, MoCS and MEF

Supporting Agency: Relevant ministries/institutions, SNA and DPs

Indicators and Targets for Priority Action 3.1.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Study report on options for establishing an incentive policy for SNA personnels		Study and preparation				
2	Policy on the incentive for SNA officials adopted.			1			

Priority Action 3.1.4: Develop Guidelines for Increasing the Number of Women in Management Positions at CP and DMK Administrations

The NCDD has issued a strategic plan to increase the number of women in management positions at SNAs for 2024-2028. To achieve the goals set out in this strategic document, it is necessary to provide guidelines to CP and DMK administrations. This activity focuses on:

- Developing guidelines for Increasing the Number of Women in Management Positions at CP and DMK Administrations.
- Disseminating guidelines to SNAs to ensure that CP and DMK administrations pay attention to increasing the number of women in management positions to enhance women's participation in decision-making at SNA, responding to the promotion of gender equality, inclusiveness, and social equity.
- Support, monitor and evaluate on SNA implementation of guidelines.

Responsible Agency: NCDDS, MOI, MOWA, and MCS

Supporting Agency: Relevant ministries/institutions, SNA, and DPs

Indicators and Targets for Priority Activity 3.1.4

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Guidelines on increasing the number of women in management positions at CP and DMK.	Draft	1				
2	Percentage of women in management positions at CP administrations	33.2%	35%	35.5%	36%	36.5%	37%
3	Percentage of women in management positions at DMK administrations	21.8%	23%	25%	27%	29%	30%

Priority Action 3.1.5: Developing Guidelines for Creating a Friendly and Conducive Work Environment at SNAs

The NCDD has issued a strategic plan to increase the number of women in management positions at sub-national administrations for 2024-2028. To achieve the goals set out in this strategic document, it is necessary to create a friendly and conducive work environment for women. This activity focuses on:

- Developing and implementing guidelines for creating a friendly and conducive work environment at sub-national administrations to ensure that sub-national administrations create a work environment that is convenient and safe for personnels through the establishment of mechanisms and measures to receive and address complaints to ensure that sub-national administration personnels, especially women, people with disabilities, and ethnic minorities, can perform their roles and responsibilities effectively and efficiently.
- Support, monitor and evaluate on SNA implementation of guidelines.

Responsible Agency: NCDDS, MOI, MOWA, MCS and SNAs

Supporting Agency: Relevant ministries/institutions and DPs

Indicators and Targets for Priority Activity 3.1.5

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Guidelines on creating a friendly and conducive work environment at SNA.	Draft	1	-	-	-	-
2	Percentage of CP that have created work environments in accordance with the guidelines			50%	70%	100%	-
3	Percentage of DMK that have created work environments in accordance with the guidelines			30%	60%	90%	100%

Expected Output 3.2: Performance-Based Management System is developed and implemented

A performance-based management system is not only a tool for evaluating staff performance, but also an essential mechanism for personnel management, capacity development, disciplinary measures, and staff motivation, all aimed at strengthening overall work effectiveness. The establishment of a performance-based personnel management system is intended to develop individual staff work plans aligned with institutional goals and mandates; enhance staff productivity and efficiency; clarify communication and accountability lines between managers and staff; accurately identify capacity-building needs; ensure fairness and transparency in appointments, promotions, ranking, incentives, and rewards; and support institutions in formulating more effective human resource management strategies.

A performance-based management system should include key components such as defining professional positions and position descriptions, setting annual terms of reference for each personnel, managing daily attendance, conducting annual performance evaluations based on achievements, and providing motivation and incentives.

To achieve this expected output, IP5-II defined 6 priority activities as follows:

Priority Activity 3.2.1: Preparation and Implementation of Professional Positions within DMK Administrations

During IP5-I, the Royal Government issued Sub-Decree No. 76, dated 20 April 2023 on the Determination of Professional Positions and Position Descriptions of Municipal, District, and Khan Administrations and NCDD also issued a guidelines to provide guidance to DMKs on determining appropriate professional positions and the actual number of required staff for each position, as well as for assigning personnel to these positions in accordance with their technical expertise and work experience. Therefore, during IP5-II, the key tasks that must continue are as follows:

- Disseminate and provide training to DMKs on the Sub-Decree No 76 and the Guidelines concerning the determination of professional positions and position descriptions within DMK’s structures.”
- Define professional positions and the required number of personnel for each DMK, based on functions, roles, responsibilities, economic and social potential, and public service needs.
- Assign personnel according to each professional position, aligning with the individual skills and experience of each staff member.
- Monitoring and evaluating the implementation by DMK administrations

Responsible Agency: NCDDS, MCS, MOI and DMK

Participating Agency: Relevant ministries/institutions, and DPs.

Indicators and targets for Priority Activity 3.1.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	% DMK received training on implementation of the guideline.	None	100				
2	% DMK organize personnel according to defined position		50%	100%			
3	M&E Report on DMK implementation	None			1		
4	HR Plan for additional personnel to DMK			1			

Priority Activity 3.2.2: Development and Implementation of Professional Positions within Capital and Provincial Administrations

The main purpose of establishing professional positions and developing clear position descriptions is to ensure that the provincial and capital administrations have a foundation for: (i) Assigning of personnel according to their specific skills and/or work experience; (ii) Developing staffing plans based on actual human resource needs, including both quantity and expertise; (iii) Selecting personnel with the precise skills required by each provincial and capital administration; (iv) Clearly defining the working conditions for each staff member; (v) Preparing succession plans to ensure the readiness of highly capable human resources to replace retiring or departing staff; and (vi) Developing staff capacity in alignment with the specific skill requirements of each provincial and capital administration. Therefore, this activity will focus on:

- Develop a sub-decree on the determination of professional positions and position descriptions within the structure of capital and provincial administrations
- Preparing and adopting guidelines on professional position and position descriptions
- Disseminating and providing training to capital and provincial administrations to ensure proper implementation of sub-decree and guideline.
- Define professional positions and the required number of personnel for each CP administration, based on functions, roles, responsibilities, economic and social potential, and public service needs, including the preparation of position descriptions.
- Organize personnel according to each professional position, aligning with the individual skills and experience of each staff member.
- Monitoring and evaluating the implementation by capital and provincial administrations

Responsible Agency: NCDDS, MCS, MOI, and CP

Participating Agency: Relevant ministries/institutions, and DPs.

Indicators and targets for Priority Activity 3.2.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Sub-decree on Determination of Professional Position, and Position Description for CP	Study report	1				
2	Guideline on implementation of Determination of Professional and Position Description		1				
3	% CP organize personnel align with the guideline.			100%			
4	M&E Report on CP implementation			1			

Priority Activity 3.2.3: Developing and Strengthening the Implementation of Professional Ethics Codes for SNA Personnel

A professional code of ethics is a set of ethical standards or rules established by each institution to ensure that all staff adhere to them consistently, thereby upholding the values, integrity, and dignity of individual personnel and of the institution. Currently, professional codes of ethics have been developed and are being implemented for certain professional standards, such as teachers and health professionals. However, codes of ethics for other professional standards—such as general administrative officials and technical officials—are being developed and finalized and some other professional standards have not yet developed their codes. Therefore, this activity focuses on:

- Develop code of conduct for staff specialized-classification standard of administrative and technical personnel.
- Strengthening the implementation of existing professional ethics codes and developing professional ethics codes for other professional standards to enhance the quality and

efficiency of personnel performance, especially in public relations and public service delivery.

Responsible Agency: MCS, MOI, NCDDDS and Ministries/Institutions

Supporting Agency: SNAs, relevant ministries and institutions.

Indicators and Targets for Priority Activity 3.2.3

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Professional codes of conduct for admin. and technical staff developed	-	1	1			
2	% CP that have strengthened the implementation of issued professional codes of conduct			100%			
3	% DMK that have strengthened the implementation of issued professional codes of conduct	-		100%			

Priority Action 3.2.4: Strengthening and improving preparation of annual TOR for SNA personnel.

The Ministry of Interior has issued the Guideline of Capital, Provincial, Municipal, District, and Khan Administrations, which also includes guidance on personnel management. The Guideline requires these administrations to prepare annual work conditions (performance plans) for their staff as a basis for work implementation and annual performance evaluation. However, the preparation of such work conditions for staff within sub-national administrations has not yet been fully or effectively implemented

The Ministry of Interior has issued a guidebook on the Management of Administrative Affairs of CP and DMK, which includes guidelines on personnel management and requires CP and DMK to develop annual TORs for their personnels as a basis for annual personnel performance evaluations. However, the development of TOR for personnel has not yet been fully implemented and effective. Therefore, this activity focuses on:

- Disseminating the guideline on annual TOR preparation for SNA personnel.
- Strengthening preparation of annual TOR for personnel, which should be done between the head of the unit and each personnel as a basis for evaluating individual personnel performance. These TOR are documents that detail responsibilities and expected outcomes, indicators or targets, and clear timelines. The preparation of these TOR is primarily based on the annual action plans of each unit and the position descriptions of individual personnel.

Responsible Agency: NCDDDS, MOI and SNAs

Supporting Agency: MoCS and relevant ministries and institutions.

Indicators and Targets for Priority Activity 3.2.4

No.	KPI	Baseline	Targets				
			2026	2027	2028	2029	2030
1	% CP prepared annual TOR for personnel	-	100%	100%	100%	100%	100%
2	% DMK prepared annual TOR for personnel	-	100%	100%	100%	100%	100%

Priority Action 3.2.5: Strengthening the Management of SNA Personnel Attendance

The government has issued Sub-Decree No. 56 dated April 1, 2016, on the management of civil servant and contract officer attendance. Strengthening the management of personnel attendance at sub-national administrations is a mechanism that contributes to monitoring personnel performance to enhance professional discipline and is part of performance-based personnel evaluation. Managers can determine the methods of managing personnel attendance by specifying working hours, daily working hours, and work locations in a manner that is inclusive and socially equitable and adaptable to the actual situation of public service delivery. This activity focuses on:

- Continuing to strengthen daily management of personnel attendance at sub-national administrations in accordance with existing legal standards.
- Developing digital system for personnel attendance management.

Responsible Agency: Sub-National Administrations

Supporting Agency: MCS and MOI

Indicators and Targets for Priority Activity 3.2.5

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	% CP and DMK exist daily attendance records	-	100%	100%	100%	100%	100%
2	Digital system for daily attendance records	-	develop	implement			

Priority Action 3.2.6: Evaluation of SNA personnel performance.

At present, sub-national administrations do not yet have clear mechanisms and procedures for conducting effective and transparent annual performance evaluations of their staff. Performance evaluation is a critical component of a performance-based management system, as it ensures fairness and transparency in appointments, promotions, ranking, motivation, and the granting of rewards to staff members. This activity focuses on:

- Develop guidelines on performance-based evaluation for personnel
- Disseminate and provide training to SNAs on the guidelines for performance-based evaluation.
- Implement performance-based evaluations by sub-national administrations.
- Support, monitor, and supervise sub-national administrations in implementing the annual staff performance-based evaluation system.

Responsible Agency: NCDDS, MOI, MCS, and SNAs

Supporting Agency: Relevant/institutions and DPs

Indicators and Targets for Priority Activity 3.2.6

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Guidelines on performance-based evaluation of SNA.	-		adopted			
2	% CP implement performance-based evaluation				100%	100%	100%
3	% DMK implement performance-based evaluation	-			50%	75%	100%

Expected Output 3.3: The capacities of councils and staff of SNAs are enhanced

The capacity development of council members and staff of SNAs is provided annually through training and workshops based on mandatory and essential curricula, supported by the National School of Local Administration of the Ministry of Interior, public training institutions, the NCDD Secretariat, relevant ministries and institutions, the Association of SNA's Councils, various development partner projects/programs, and civil society organizations. Despite the continuous provision of training, these efforts still do not fully meet the practical needs of SNAs. Moreover, several training materials and programs developed many years ago are no longer aligned with the current context of institutional development, new policies, digital technologies, socio-economic changes, and the evolving functions and responsibilities of SNAs.

Therefore, the capacity development of council members and staff of SNA hall be focused on:

- Review, revise, and update existing training materials and curricula, and develop new, innovative training documents and programs.

- Improve training methodologies by integrating the use of digital platforms and artificial intelligence (AI).
- Develop competency standards frameworks for SNA's staff.
- Assess and determine the training needs and strengthen the ownership of each SNA in organizing the capacity development of their own staff.

To achieve this expected output, the IP5-II has outlined 5 priority activities as follows:

Priority Activity 3.3.1: Develop Standard Competency Frameworks for SNA's Staff

The development of standard competency frameworks for SNA's staff, based on position descriptions (management and professional position), involves determining the duration and specific skills required for training according to each position. This action will focus on:

- Develop standard competency frameworks for SNA's staff, clearly defining the essential and basic training required for each level (minimum requirement), based on position descriptions, roles, and responsibilities within the organizational structure of SNAs.
- Disseminate to SNA on implementation of standard competency frameworks.

Responsible Agency: MOI and CP

Supporting Agency: Relevant ministries/institutions and DPs

Indicators and Targets for Priority Activity 3.3.1

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	standard competency frameworks for SNA staff	Draft	adopted	-	-	-	-

Priority Activity 3.3.2: Review, Update and Develop Curricula align with Standard Competency Framework.

The National School of Local Administration has developed and delivered mandatory curricula for many years, including: (i) Advanced Management Course, (ii) Management Level 2 Course, (iii) Management Level 1 Course, (iv) Specialized Training Course, (v) Basic Training Course and (vi) Secretariat Administration Course. To ensure that training meets the actual needs and is appropriate to the evolving social, economic, technological, functional, and accountability context of SNAs, this action will focus on:

- Reviewing and updating existing training programs/materials align with approved standard competency frameworks.
- Develop new curricula based on the needs of SNA personnel which are defined in standard competency frameworks.

Responsible Agency: MOI (NASLA)

Supporting Agency: NCDDS, SNAs, and relevant ministries/institutions

Indicators and Targets for Priority Activity 3.3.2

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Number of existing curricula reviewed, updated and approved by NASLA Board	0		1	1	1	1
2	Number of new curricula developed and approved by NASLA Board			1	1	1	1

Priority Action 3.3.3: Delivery Training to SNAs

Annually, the NASLA prepares plans and budgets to provide training for approximately 750 council members and staff of SNAs. The capital and provincial administrations have also developed plans and budgets to provide training to thousands of council members and SNAs each year (45,000 people in 2025). The Association of SNA Councils has likewise contributed to capacity development for council members (95 councilors in 2025). In addition, several relevant ministries and institutions have organized specialized training for sub-national administration staff as well. Additionally, with support from development partners' projects and various NGOs, the school collaborates to deliver specific training programs to council members and sub-national administrative staff. This action focuses on:

- Preparing annual training plans and budgets for council members and staff based on competency framework and annual capacity development needs assessments (lead by NASLA and CP).
- Organizing training for council members and sub-national administrative staff using innovative methods and digital or artificial intelligence systems

Responsible Institution: MOI and CP

Supporting Institutions: Relevant ministries/institutions, SNAs, SNA Association and DPs.

Indicators and Targets for Priority Activity 3.3.3

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Number of councilors and SNA staff trained by NASLA	750	850	1.100	1.500	2.000	2.500
2	Number of councilors and SNA staff trained by HRD of CP	6.700	7.000	7.000	7.000	7.000	7.000
3	Number of councilors trained by SNA Association	7.575	7.000	6.000	6.000	6.000	6.000

Priority Action 3.3.4: Evaluate the Effectiveness of Capacity Development of SNAs

To further strengthen the capacity of provincial and capital human resource management units in supporting and providing training to councils and staff of SNAs, the NASLA shall regularly monitor and evaluate the effectiveness of capacity-development efforts of capital and provincial administrations. This action focuses on:

- Monitoring and evaluating the effectiveness of capacity development of capital/provincial administration.
- Capital/provincial administrations preparing annual progress reports on training.

Responsible Agency: Ministry of Interior

Supporting Agency: Relevant ministries/institutions and SNAs

Indicators and Targets for Priority Activity 3.3.4

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Evaluation reports on the effectiveness of CP capacity development	-		-	1	-	-
2	% CP preparing annual progress reports on capacity development	-	100%	100%	100%	100%	100%

Priority Action 3.3.5: Facilitate the sharing of lessons learned and successful practices among SNAs regarding the implementation of specific functions.

Sharing lessons learned and best practices is an effective approach to developing the capacity of

SNAs in leadership, management, organization, and the implementation of functions within their respective mandates. This method allows participants to observe directly, making it easier to understand, remember, and apply in practice.

IP5-II must continue to strengthen SNA’s capacity in management and implementation of both obligatory and permissive functions of SNAs to address challenges and meet the actual needs of citizens at the local level. This action will focus on:

- Compiling best practice lessons in the implementation of the functions that have achieved success
- Organizing experience-sharing workshops among sub-national administrations on successful practices through seminars or study visits.

Responsible Agency: NCDDS, MOI and SNAs

Supporting Agency: Relevant ministries/institutions, SNAs and DPs.

Indicators and Targets for Priority Activity 3.3.5

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Number of seminars on best practice lessons in function implementation		2	2	2	2	2
2	Number of study visits on best practice	-	2	2	2	2	2

Expected Output 3.4: Training institutions responsible for developing the capacities of SNA’s personnel are strengthened.

The capacity development of council members and staff of SNAs is a primary objective of NP-2, aiming to ensure that SNAs have skilled and competent personnel to enhance the effectiveness of local governance and public service delivery. In pursuit of this goal, the NASLA of the Ministry of Interior was established in 2016, and the Human Resource Management Division of capital and provincial administrations were established in 2010, providing ongoing capacity development services to council members and staff at the capital, provincial, municipal, district, and commune/sangkat levels.

Although these institutions have made significant efforts to deliver annual training to thousands of council members and staff, the training provided has not yet met the actual capacity development needs of SNAs. Therefore, IP5-II will continue to focus on strengthening the capacity of the NASLA and the Human Resource Management Division of capital and provincial administrations, so that they become core institutions for delivering high-quality, effective, and sustainable capacity development for council members and staff of SNAs. In addition, studies will be conducted to explore the feasibility of establishing regional training centers, which will be developed and implemented in phases as resources availability.

To achieve this expected output, IP5-II has outlined 4 key activities as follows:

Priority Activity 3.4.1: Strengthening Capacity of NASLA Trainers.

To strengthen the National School of Local Administration (NASLA) as a high-quality training institution recognized at both the national and regional levels, it is essential for NASLA to have a core group of trainers with the capacity to deliver quality training to SNA’s staff. Key actions to be implemented under this priority include:

- Clearly identify the core trainers of the NASLA.
- Assess the training needs of NASLA’s core trainers.
- Develop annual training plans and budgets to build the capacity of NASLA staff to become highly competent core trainers.

- Provide regular training to the NASLA’s core trainers, as well as seek partnerships with public and private training institutions both domestically and internationally, to ensure that the NASLA’s core trainers are well-qualified and possess clear professional expertise.

Responsible Agency: Ministry of Interior

Supporting Agency: Relevant ministries/institutions and DPs

Indicators and Targets for Priority Activity 3.4.1

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Annual Report on TNA for NASLA trainers		1	1	1	1	1
2	Annual planning and budgeting for training		1	1	1	1	1
3	Number of trainers were trained domestically and internationally.		20	30	40	50	60

Priority Activity 3.4.2: Improving the management of NASLA

The NASLA was established and began operations in 2016. To date, NASLA does not yet have a fully developed physical infrastructure, nor does it have appropriate standard operating procedures (SOPs) as a professional training institution, and it lacks a digital management system. Key actions to be implemented under this priority include:

- Construct physical infrastructure of the National School of Local Administration and equip it with suitable facilities and equipment as a professional training institution.
- Prepare a comprehensive operations manual for the school as a professional training institution, covering administrative work, personnel and instructor management, financial management, logistics, student/trainee management, library management, dormitory management, curriculum development, research, training evaluation, and the use of information technology for teaching and learning.
- Provide training to NASLA personnel on its operational procedures.
- Establish digital system for managing personnel/instructors, finances, dormitories, library, and students/trainees. This includes digital training platforms such as e-learning centers, online teaching and study, and the development of digital courses.

Responsible Institution: Ministry of Interior

Supporting Institutions: Relevant ministries/institutions and DPs.

Indicators and Targets for Priority Activity 3.4.2

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Operations manual for the NASLA	None	Adopted				
2	Study for establishment of E-learning center/platform			study	Adopted		
3	% of online study		30%	40%	50%	60%	70%
4	Develop digital courses		study	Adopted			

Priority Activity 3.4.3: Strengthening Cooperation with Ministries, Institutions, Public and Private Training Institutions, and Specialized Institutes in the regional and global

NASLA collaborated with ministries, institutions, public and private training centers, development partners, and civil society organizations to help develop curricula and provide guest trainers for delivering training to council members and staff of SNAs on specific topics. Currently, the NASLA has signed memoranda of understanding or cooperation agreements with 16 training institutions, both domestic and international. Within the framework of these partnerships, the

NASLA has enhanced its capacity and ability to deliver higher-quality capacity development services and has gradually implemented training programs aligned with its capacity development strategy. Therefore, IP5-II will continue to promote, strengthen, and expand these cooperative partnerships further.

- Continuing to strengthen and expand cooperation with ministries, institutions, and training institutions to support curriculum development and training for sub-national administrative staff in essential skills such as law, dispute mediation, public financial management, administrative affairs, personnel management and other technical expertise.
- Further strengthening cooperation with development partners and civil society organizations to mobilize resources, prepare training materials, and provide guest lecturers.
- Establishing partnerships with regional and global institutes with similar characteristics to exchange experiences and strengthen the school’s capacity for quality training.

Responsible Agency: Ministry of Interior

Supporting Agency: Relevant ministries, public and private training institutions, development partners, and civil society organizations.

Indicators and Targets Priority Activity 3.4.3

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Number of memoranda of understanding with universities, specialized institutes, development partners, or civil society organizations	15	2	2	2	2	2
2	Number of memorandums of understanding with regional or global institutes	1	-	-	1	-	-

Priority Activity 3.4.4: Strengthening the Capacity of Human Resource Division in Capital and Provincial Administrations

Currently, the Human Resource Management Division of the capital and provincial administrations play a vital role in developing the capacity of council members and staff of the capital, provincial, municipal, district, and commune/sangkat within their respective jurisdictions. In fulfilling these roles and responsibilities, the Human Resource Management Division of the capital and provincial administrations still face limitations in both capacity and resources to provide effective capacity development services to council members and staff of sub-national administrations. Therefore, IP5-II will continue to focus on strengthening these capacity development units within the capital and provincial administrations, so that they become high-quality and effective providers of capacity development services.

This activity focuses on:

- Develop guidelines on training needs assessment, planning, and budgeting for the capacity development of SNA’s staff. The NASLA is responsible for preparing these guidelines and providing training to the capacity development division of capital and provincial administrations, ensuring they have a clear understanding of how to assess training needs and prepare annual training plans and budgets.
- Study and assess the capacity and training needs of the capacity development division within capital and provincial administrations.
- Select staff with the necessary competencies and work experience to serve as core trainers in each capital and provincial administration. These core trainers must be

officially recognized by the Minister of Interior through the NALSA and will receive teaching allowances as determined by the Royal Government.

- Support and provide capacity development to staff and core trainers of the capacity development division within the capital and provincial administrations.
- Study and establish regional training centers at the sub-national level, with the capacity to deliver capacity development services to council members and staff of sub-national administrations in each region (covering 4–6 provinces per center).

Responsible Agency: MOI, NCDDS and Capital/Provincial Administrations

Supporting Agency: Relevant ministries/institutions and DPs

Indicators and Targets for Priority Activity 3.4.4

No.	Indicators	Baseline	Targets				
			2026	2027	2028	2029	2030
1	Guidelines for conducting training needs assessment is developed and disseminated	-	Adopted	-	-	-	-
2	TNA reports for HRD staff of CP	-	Adopted	-	-	-	-
3	Study report of potential establishment of regional training center		-	Study	Adopted		

4. Component 4: Fiscal Decentralization and the Planning and Budgeting System of SNA

4.1. Rationale

Based on the findings of the mid-term evaluation of NP-2 or the end-line evaluation of IP5-I (2021–2025), the implementation of Component 4 of NP-2—related to fiscal decentralization and the planning and budgeting systems of SNAs—has achieved several key results, including the following:

- The preparation of budgets of SNA has been implemented based on activity-based budgeting under the rolling three-year Investment Program, in accordance with the work calendar and prescribed procedures.
- The preparation and execution of SNA have been carried out effectively using information technology systems, including the Financial Management Information System (FMIS) and the Non-Tax Revenue Management Information System (NRMIS).
- The 25 CP Administrations have been using the State Asset and Registration Management Information System (SARMIS), which has been officially operational since 2021.
- Transfers of financial resources from the national budget to DM Funds and CS Funds have increased significantly.
- Conditional grants for the health sector have been transferred to CP administrations, while conditional grants for the education sector have been transferred to Municipal/District administration, and these grants have been implemented effectively.
- Provincial administrations have allocated at least 10 percent of their development budgets to support social services.
- Some Municipal/District Administrations have also received conditional grants to implement additional other sectoral functions (Environmental sanitation, Rural development and Rural Infrastructure development).

At the same time, the mid-term review of NP-2 also found that several priority activities under IP5-I were not implemented, including:

- The preparation of strategic documents for SNA.
- The development of a budget system reform strategy for SNA for the period 2026–2030.
- Strengthening the management system of Sub-National Administration Fund.
- Enhancing the authority of SNA in management, allocation, and use of unconditional grants for service delivery projects.
- Reviewing and strengthening the management of Sub-National Administration Investment Fund (SNIF).
- Improving the framework for managing development partner resources transferred to SNA.
- Strengthening the public investment management framework using SNA budgets.

In addition, several challenges shall be implemented during the implementation of NP-2 from 2026 to 2030, including:

- CP administrations operate two financial management systems: one for administration and another for the health sector.
- DM- development funds remain limited in size relative to their assigned responsibilities, more than the portions of these funds are allocated for specific sectoral functions transferred from line ministries.
- Insufficient resources are available for implementing certain sectoral functions transferred to DMK Administrations, except for education sectoral functions.

Therefore, further strengthening fiscal decentralization and improving the planning and budgeting system of SNAs is a critical task to ensure effective management, allocation, and utilization of resources with efficiency, transparency, accountability, inclusiveness, and equity in consistent with the vision, goals, and objectives of public financial management reform and aligned with the structure, function, authority, and responsibility of SNA.

In relation to continuing to strengthen financial decentralization and improve the planning and budgeting systems of SNA, the IP5-II will continue to focus on:

- Strengthening ownership and accountability of SNA in the management, allocation, and utilization of financial resources in an effective, transparent, accountable, inclusive, and equitable manner, to ensure public service delivery and local development respond to citizens' priority needs
- Reviewing and improving the planning and budgeting systems of SNA to ensure alignment with the characteristics of metropolitan administration, regional administration, and local administrations (urban and rural), and consistency with the framework of sub-national budget preparation.
- Assessing the ability to increase financial resources of SNA through the transfer resources from the national level and various funds, such as the Fraternity Fund, Equity Fund (Equitable budget allocation system), Sub-National Administration Fund, and SNIF, as well as by expanding own-source revenues, to ensure adequate resources commensurate with assigned responsibilities and local development needs.
- Strengthening the implementation of program budgeting at the SNA to ensure effective, transparent, and accountable allocation and use of budget resources.
- Strengthening the Public–Private Partnership (PPP) Framework between SNA and the Private Sector to promote sustainable and diversified socio-economic development.
- Other priority interventions, based on findings from policy reviews, evaluations, and newly developed government strategies.

4.2. Expected Outcomes

The expected outcome of this component is: “SNAs have predictable, 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 programs, and budget strategic plans of SNAs.”

To achieve this outcome, IP5-II will continue to implement key priority activities that were not implemented or not fully completed during IP5-I, as well as additional priority activities aimed at further strengthening fiscal decentralization and improving the planning and budgeting systems of SNA, thereby contributing to the achievement of the other expected outcomes set out under NP2.

4.3. Expected Outputs

To achieve the above-mentioned outcome, Component 4 defines the following 8 expected outputs as follows:

Expected Output 1: The planning process of SNA is improved and aligned with SNA budgeting process.

Expected Output 2: The ownership and responsibility of SNA in managing, administering, and utilizing financial resources are strengthened.

Expected Output 3: Local revenues of SNA are increased.

Expected Output 4: State assets are transferred and the asset management is strengthened by SNAs.

Expected Output 5: Unconditional Fund is increased and allocated to SNA according with clear and equitable formulas and criteria.

Expected Output 6: Conditional financial resources are transferred and managed by SNA in efficiency, transparent, and accountability manner.

Expected Output 7: A framework for managing sub-national public investment projects is strengthened and improved.

Expected Output 8: A framework for partnerships between SNA and the private sector is established and effectively implemented.

The priority activities to be implemented in order to achieve each expected output include relevant indicators and milestones for measuring progress and achievement, as outlined below.

Expected Output 4.1: The planning process of SNA is improved and aligned with SNA budgeting process.

The planning system and procedures of SNA were updated and finally implemented in 2017, in line with the democratic governance and participation system at the sub-national level. The processes and procedures for developing five-year development plans and three-year rolling investment programs of SNAs were also continuously reviewed, evaluated and improved to ensure the quality and effectiveness of those development plans and investment programs, as well as their alignment with the annual budget preparation process to ensure the use of financial resources in response to the priority needs of the people.

Despite ongoing strengthening and improvement, the evaluation of IP5-I and governance survey recommended continuing to strengthen the preparation of development plans and investment programs in accordance with the principles, steps, procedures, and time frames set, as well as considering new methods/means to increase the participation of citizens, vulnerable groups, and stakeholders, and ensuring that these development plans and investment programs are prepared with quality, responsive to the actual situation of each locality, measurable, and achievable in accordance with the policies of the Council of each SNA and The National Development Strategy (NSDP).

At the same time, the planning system and budget preparation framework of SNA also need to be reviewed in line with the structural and management system adjustments of the capital administration in the form of a metropolitan administration, provincial administration in the form of a regional administration, and municipal, district, and commune administration in the form of a local administration, which are planned to be implemented in this IP5-II.

Accordingly, to achieve this Expected Output, IP5-II has identified three priority activities, including:

Priority Activity 4.1.1: Strengthening of SNA Planning and Budgeting Processes

In relation to this priority activity, during the IP5-II, it is necessary to continue to strengthen the process of developing development plans, investment programs, budget strategies, and budget preparation of SNAs in a comprehensive and coordinated manner.

Key tasks to be implemented in this priority activity include:

- Strengthen SNAs in preparing development plans and investment programs in accordance with the established principles and procedures through (1). Capacity development and strengthening of responsibilities of planning teams (2). Use of data (CDB) and methods to increase citizen participation in developing development plans

and investment programs (3). Strengthening the role of councils in approving and monitoring and evaluating the implementation of development plans and investment programs (4). Technical support, monitoring and evaluating from the national and provincial levels in accordance with the established principles and (5). Strengthening the responsibility for review and compliance of the Ministry of Interior and the Capital/Provinces in accordance with the established principles.

- Strengthen the preparation of budget strategic plans and annual budget projects of SNAs in response to the three-year rolling investment program of SNAs.
- Strengthen CP Councils in the preparation and approval of annual budgets, by attach along with the procurement plans and petty cash plans for negotiations and the use of additional budget classifications beyond the existing budget classifications.
- Strengthen DMK Councils in the preparation and approval of annual budgets, by attach along with the petty cash plans for endorsement and the use of additional budget classifications beyond the existing budget classifications.
- Improve the guidance circular on preparing of CP budget strategic plans (BSP) and technical procedures for preparing annual draft budget of SNAs.
- Continuing to update the Medium-Term Budget Framework (MTBF) of SNA (three-year rolling framework) to support the preparation of budget strategic plans of the Capital/Provinces and the annual budget of SNA.
- Strengthening and improving the preparation of CP Budget Strategic Plans through the alignment and integration of Budget Strategic budget Plans of CP Line Departments; CS and DMK Administration’s activity plans into the CP Budget Strategic Plans.

Responsible Agency: MEF, MOI, MOP and SNAs

Participating agency: Relevant ministries and institutions, DPs & Stakeholders

Indicators and Targets for Priority Activity 4.1.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Number of CP development plans that were endorsed on time.						25
2	Number of DMK development plans that were endorsed on time.						210
3	Number of CS development plans that were endorsed on time.				1,652		
4	Revised guidance circulars on the preparation of strategic budget plans of the CP and technical procedures for preparing annual budgets of SNAs.	Exist	1	1	1	1	1
5	Updated Medium-Term Budget Framework (three-year rolling) for SNA	Exist	1	1	1	1	1
6	Number of Capital and Provincial administrations that have aligned sectoral department budget strategic plans into their budget strategic plans.		25	25	25	25	25

Priority Activity 4.1.2: Reviewing and Revision of SNA Planning Systems

During the implementation of IP5-II, there will be reviewing and adjustments to the organizational structures and management systems of CP and DMK administrations according to the characteristics of each administrative type (large cities, towns and rural areas, etc.). Accordingly, the planning system must also be reviewed and revised to align these structures and systems.

Key tasks to be implemented in this priority activity include:

- Reviewing and revising the planning system of Capital Administration to suit the characteristics of metropolitan city; enabling the planning system of Provincial Administration to suit the characteristics of regional administration; and enabling

DMK and CS planning systems to suit the characteristics of local administrations by ensuring the principles of democratic development.

- Disseminate and provide training on the new revised planning system to ensure effective implementation.
- Strengthen the role of the SNA Council in its responsibility for determining the strategic direction of the five-year development plan and the three-year rolling investment program and approving the five-year development plan and the three-year rolling investment program.
- Adjust the structure, roles and responsibilities of the council’s mechanisms related to planning support, such as reviewing the structure of the Technical Coordination Committee, establishing various committees as necessary.
- Review the endorsement of the five-year development plans of the CP administrations, with the participation of the Ministry of Planning.

Responsible Agency: Ministry of Interior, Ministry of Planning, Ministry of Economy and Finance & NCDDDS

Participating agency: Relevant ministries and institutions, SNAs, DPs & Stakeholders.

Indicators and Targets for Priority Activity 4.1.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Revised SNA planning system					Reviewed	Approved

Priority Activity 4.1.3: Developing and implementing a Mechanism for Monitoring and Evaluating SNA Plans.

Each SNA has prepared and approved its own Five-Year Development Plan and Three-Year Investment Program in accordance with the principles and technical guidelines on the preparation of development plan and three-year investment program, which were put into effect through the Inter-Ministerial Prakas between the Ministry of Interior and the Ministry of Planning. At the same time, the principles and technical guidelines on the preparation Development Plans and Three-Year Investment Programs of SNA have also been revised continuously to ensure that the preparation of the Five-Year Development Plan and Three-Year Investment Program of each SNA are consistent with the adjustment of the structure and management of the SNA and are also consistent with the process of the annual budget preparation of the SNA.

According to Inter-Ministerial Prakas issued in 2010 and 2017 between the Ministry of Interior and the Ministry of Planning on the Guidelines for the Preparation of Development Plans and Three-Year Rolling Investment Programs of Capital, Provincial, Municipality, District, Khan Administrations requires to monitor and evaluate the implementation of their development plans and three-year rolling investment programs.

In this regard, the administrations of the CP, DMK and CS must (1). Evaluate the results and achievements of the implementation of the three-year investment program annually; (2). Evaluate the mid-term implementation of the development plan; and (3). Evaluate the impact of the implementation of the development plan during the last 6 months of the council's mandate.

In the past, most SNA have only evaluated the implementation of their development plans during the last 6 months of their council's mandate and included the results of this evaluation in the council's end-of-term report. In particular, the mid-term evaluation of the implementation of the Development Plan during the mandate and the evaluation of the implementation of the Annual Investment Program have not been conducted by SNA yet because, to date, the National level has not yet issued guidelines or procedures for monitoring and evaluating the implementation of Development Plans and Three-Year rolling Investment Programs of SNA.

Therefore, during the IP5-II, it is necessary to prepare guidelines or procedures for monitoring and evaluating the implementation of the Five-Year Development Plans and Three-Year Investment Programs of SNA, aiming to ensure that SNA can determine the results, achievements and impacts of the implementation of their development plans and the level of achievement of the vision, objectives and targets set, as well as to enable each SNA to review and adjust the vision, goals, objectives and strategies as necessary.

Key tasks to be implemented in this priority activity include:

- Defining methods and tools for monitoring and evaluating the implementation of the Five-Year Development Plan and Three-Year Investment Program of the SNA.
- Defining the types and timeframes of monitoring and evaluating the implementation of Five-Year Development Plan and Three-Year Investment Program of the SNA.
- Identify the unit responsible for monitoring and evaluating the implementation of the Five-Year Development Plans and Three-Year Investment Programs of the SNA.
- Aligning the description of development target indicators with the data types of each SNA Profile which are updated and institutionalized annually.

Responsible Agency: Ministry of Interior, Ministry of Planning & NCDDDS

Participating agency: Relevant ministries and institutions & SNAs

Indicators and Targets for Priority Activity 4.1.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Procedures for monitoring and evaluating the implementation of the development plan and investment program of the SNA		Approved				
2	% of CP Administrations that have evaluated the implementation of development plans during the mid-term of council's mandate.			100%			
3	% of CP Administrations that have evaluated the implementation of development plans in the last 6 months of the council's mandate.					100%	
4	% of DMK Administrations that have evaluated the implementation of development during the mid-term of council's mandate.			100%			
5	% of DMK Administrations that have evaluated the implementation of development plans in the last 6 months of the council's mandate.					100%	

Expected Output 4.2: The ownership and responsibility of SNA in managing, administering, and utilizing financial resources are strengthened.

SNAs have managed, allocated, and used their budgets in accordance with principles and procedures stipulated in existing laws and relevant legal instruments. In this regard on behalf the council, CS administrations in which the CS Chief act as the authorizing officer of its own budget, DM administrations in which the Governor of the Administration acting as the authorizing officer of its own budget; have performed function as budget oversight entities for their own budgets.

In budget execution, CS Chiefs and DM Governors have issued Payment Orders and submitted directly to the Provincial Treasury. However, DM administrations operate two separate budgets are (i) their own administrative budget, and (ii) the education sector budget, which are implemented through two separate financial management systems, even though the education budget is an annex to the DM administration budget.

For CP administrations, the Governor acts as the authorizing officer. Nevertheless, budget execution remains subject to control by the Budget Controlling Unit of the Provincial Department of Economy and Finance, which has been delegated authority by the Ministry of Economy and Finance to perform budget controlling functions. All payment orders issued by the CP Governor

must be submitted to the Budget Controlling Unit for verification and approval prior submission to the CP Treasury for payment processing. On the other hand, CP Administrations also operate two separate budgets and financial management systems are (i) one for the CP administration, and (ii) one for the Health Department, despite the fact that the health budget is an annex to CP administration budget.

Based on the above situation, during the implementation of IP5-II, priority attention will be given to further delegating authority to SNA in the management, allocation, and utilization of their budgets, in line with the principles of decentralization, unified administration, and the specific characteristics of each type of SNA.

To achieve this Expected Output, IP5-II has identified three priority activities, as follows:

Expected Output 4.2.1: Preparation of the Sub-National Budget System Reform Strategy (2026–2030)

The strategic direction for further improving the planning and budgeting systems of SNA will be determined based on lessons learned and practical experience from the implementation of the Sub-National Budget System Reform Strategy (2019–2025), as well as the findings of the mid-term review and evaluation of NP2. Those lessons and experiences will be considered and used as inputs in the preparation of the Sub-National Budget System Reform Strategy for 2026–2030, ensuring consistency with principles and approaches of state budget management, and alignment with the national budget system reform strategy and decentralization principles.

Key tasks to be implemented in this priority activity include:

- The Sub-National Budget System Reform Strategy for 2026–2030 has to focus on (1). The key lessons learned and good practices achieved during the implementation of the Sub-National Budget System Reform Strategy (2019–2025), and the results of implementing IP5-I under NP2 (2). Linkage to the entire national budget system, as well as align budget management with strengthening sub-national administration ownership and transferring functions to SNA (3). Establishment of a unified budget for CP and DM administrations through the integration of conditional grant resources for assigned functions into a single budget envelope of the CP and DM administrations (4). Strengthening ownership and implementation of budgeting at SNA under the authority of the Council (5). Delegation of endorsement function on the CS draft budget to DM administrations, (6). Delegating functions to the CP administration as a budget control entity on the implementation of its budget for specific expenditure categories and defined thresholds, (7). Conducting the pilot implementation of program budgeting at DM administrations; and (8). Developing tools, methodologies, and procedures for budget preparation aimed at promoting inclusiveness and social equity within SNA.

Responsible Agency: Ministry of Economy and Finance & Ministry of Interior

Participating agency: Ministry of Interior & SNA

Indicators and Targets for Priority Activity 4.2.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Sub-National Budget System Reform Strategy for 2026–2030		Approved				

Priority Activity 4.2.2: Implementation of the Sub-National Budget System Reform Strategy (2026–2030)

This priority activity aims to continue and strengthen budget implementation in accordance with the Action Plan defined under the Sub-National Budget System Reform Strategy (2026–2030).

Key tasks to be implemented in this priority activity include:

- Prepare or revise the legal frameworks related to financial and assets management of SNA.
- Study, prepare and implement a new model to have a unified budget in the CP and DM administrations by integrating the conditional transfers for implementing the transferred functions into a single budget envelop of the CP and DM administrations, ensuring the use of conditional transfers for implementing the transferred obligatory functions.
- Study, prepare and implement the new arrangements related to financial control and liquidation functions at the CP Administrations by delegating expenditure control functions to CP administrations as budget control entities for specific expenditure categories and defined thresholds.
- Delegate authority to DM administrations to endorse the CS draft budgets.
- Develop policies and procedures for the implementation of program budgeting at the DM level.
- Simplify and accelerate the budget implementation process by increasing the use of public financial management information system and solving problems based on information technology, as well as implementing the improved Non-tax Revenue Management Information System Version 2 (NRMIS V2) and the E-Payment system at SNA.
- Strengthen the support for monitoring and oversight of budget preparation and implementation of SNA through inter-ministerial coordination mechanisms between Ministry of Economy and Finance, Ministry of Interior and other relevant ministries/institutions.

Responsible Agency: Ministry of Economy and Finance & Ministry Interior

Participating agency: Relevant Line Ministries & SNA

Indicators and Targets for Priority Activity 4.2.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Law on Financial and Assets Management of SNA.	Draft	Approved				
2	Percentage of DMK administrations using E-Payment		100%				
3	Percentage of CS administrations using NRMIS V2	NRMIS V1		100%			
4	Percentage of CS administrations using E-Payment			100%			

Priority Activity 4.2.3: Decentralization and strengthening of SNA Procurement

Based on the Public Procurement Reform Strategy 2019-2025, public procurement at SNA has been gradually revised from de-concentration procurement to decentralization public procurement by providing more and more authority and responsibility to each SNA as procurement implementing body. Decentralization of public procurement to each SNA for implementation the public procurement by increasing the threshold of decision-making authority of SNA through Prakas No. 832 dated November 10, 2023, of the Ministry of Economy and Finance, on increasing the threshold of decision-making authority in public procurement.

This activity must continue to promote and consider providing more authority and responsibility to each SNA to fully take ownership of its public procurement implementation, aiming to increase transparency, accountability, and effectiveness of public procurement management at SNA.

Key tasks to be implemented in this priority activity include:

- Strengthen the implementation of all types of procurement (goods, construction, and services) of SNA through reviewing the manual on the study and design of SNA projects, improving the preparation of contractor lists and price quotations, and strengthening the capacity of SNA, especially DM and CS administrations, in the preparation, implementation, and monitoring of their projects.
- Providing full power and responsibilities to SNAs concerning implementation of procurements.
- Increasing the threshold of decision-making authority, except for some large-scale expenditures, cases without clear principles/rules, and/or cases that have high sensitivity that must be subject to prior approval from the Ministry of Economy and Finance.
- Strengthen the monitoring and oversight of procurement at SNA through strengthening the capacity of ministries and national institutions.

Responsible Agency: Ministry of Economy and Finance & Ministry of Interior

Participating agency: Relevant Line Ministries/Institutions & SNA

Indicators and Targets for Priority Activity 4.2.3

No	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Threshold of decision-making authority of SNA procurement.	– KHR 1,000 million (Capital) –KHR 700 million (Province) –: KHR 130 million (DM)		Increased			
2	Percentage of CS Administrations conducted bidding at their jurisdictions.	0	30%	40%	50%	607%	70%
3	Percentage of DM projects conducted before mid-year of the fiscal year.	28%	50%	60%	70%	80%	90%

Expected Output 4.3: Local Revenues of SNA are Increased.

The local revenues which transferred to SNA include (1). CP administrations receive revenues from tax and non-tax sources, in which tax revenues are collected by Provincial and Khan tax branches, while non-tax revenues are collected by the CP's one window units, the Department of Economy and Finance, and various sectoral departments. (2). DM administrations receive non-tax revenues, in which these revenues are collected by the DM's one window offices, and (3). CS administrations receive non-tax revenues collected through the CS's mechanisms.

The local revenues of SNA are increased through improved efficiency in the collection of tax and non-tax revenues, as well as through the redistribution of certain tax revenues from CP Administrations to DM and CS Administrations, with the objective of reducing disparities in revenue capacity among SNA. During the implementation period of IP5-II, it is necessary to consider increasing the types of tax revenues to SNA and increasing percentage of the tax revenue-sharing from CP Administrations to DM and CS Administrations.

To achieve this Expected Output, IP5-II has identified 5 priority activities, as follows:

Priority Activity 4.3.1: Enhancing the Efficiency of Collection and Management of Existing Assigned Tax Revenues.

Over the past period, the national level has assigned revenues from several types of taxes and excises to CP Administrations to generate the revenues as benefit to their budgets and as present, these revenues are derived from nine main types of taxes and excises, namely: (1) Tax on immovable and movable property, (2) Public lighting tax, (3) Accommodation tax, (4) Patent tax, (5) Vehicle tax, (6) Stamp tax, (7) Property tax, (8) Unused land tax and (9) Advertisement tax.

Accordingly, this priority activity focuses on improving the efficiency of collection and management of these assigned tax revenues.

Key tasks to be implemented in this priority activity include:

- Strengthening forecasting, management and monitoring on collection of existing assigned tax revenues, particularly for major types of tax revenues (e.g., property tax, unused land tax etc.); to ensure accuracy and effectiveness in budget preparation;
- Establish and implement clear, transparent, and equitable formulas and criteria for redistributing of surplus budget of CP Administrations (both mid-year and end-year surpluses) among CP Administrations.

Responsible Agency: Ministry of Economy and Finance & SNA

Participating agency: Ministry of Interior

Indicators and Targets for Priority Activity 4.3.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	% of actual tax revenues of CP Administrations compare to planned tax revenues.	82.78%	90%	95%	95%	95%	95%

Priority Activity 4.3.2: Transferring of Revenue from New Taxes for Benefit of SNA Budget.

Although the national level has already assigned revenues from a number of taxes and excises to CP administrations as revenues for their budgets as to date, these revenues have come from nine types of tax and excise as specified in Priority Action 4.3.1. of IP5-II with evolving socio-economic conditions, SNA still need additional revenues for their own budget to promote local development and increase the efficiency of service delivery within their jurisdictions in line with evolving socio-economic development and more local needs.

Therefore, this activity will focus on examining the possibility of transferring revenues from additional new types of taxes to SNA as their own budgetary benefits.

Responsible Agency: Ministry of Economy and Finance

Participating agency: Ministry of Interior & SNA.

Indicators and Targets for Priority Activity 4.3.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Number of tax and excise types assigned as revenues to SNA budget	9	10				

Priority Activity 4.3.3: Revenue-Sharing of Tax Revenues from CP Administrations to DM and CS Administrations

The sharing of tax revenue from the CP Administrations to the DM and CS administrations began in 2018. The sharing of tax revenues from the CP to DM administrations began in 2018 at a rate of 3% and increased to 4% from 2019-2025. The sharing of tax revenues from the CP to the CS administrations began in 2018 at a rate of 1% and increased continuously to 6% from 2024-2025. Therefore, this activity will continue to focus on managing and increasing the rate of revenue sharing from the CP to DM and CS administrations in line with the growth of the national economy, as well as strengthening the use of financial resources from this sharing for effective local development in accordance with the established principles.

Key tasks to be implemented in this priority activity include:

- Improve the efficiency of management and allocation of tax revenues from CP administrations to DM and CS through timely notification of the amount of shared

resources so that each DM and CS administration can include shared revenues in its annual budget plan.

- Study the feasibility of increasing the tax revenue-sharing rates from CP administrations to DM and CS Administrations in order to increase local revenues for local development of DM and CS administrations.
- Reviewing and refining allocation criteria and formulas for sharing tax revenues from CP administrations to Municipal/District and from CP administrations to CS administrations, to ensure transparency, equity, and predictability.

Responsible Agency: Ministry of Economy and Finance & SNA

Participating agency: Ministry of Interior and NCDDDS

Indicators and Targets for Priority Activity 4.3.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Percentage of tax revenue shared from CP administrations to DM administrations	4.0%	4.5%	4.5 %	4.5%	4.5%	4.5%
2	Percentage of tax revenue shared from CP administrations to CS administrations	6.0%	6.5%	6.5 %	6.5%	6.5%	6.5%

Priority Activity 4.3.4: Strengthening the Collection of Non-Tax Revenues

This priority activity continues to focus on strengthening the collection of non-tax revenues, including fees or service charges collected through one window service mechanisms, revenues from the management of assets of SNA and fees from other services.

Key tasks to be implemented in this priority activity include:

- Strengthen the capacity and responsibility of one window mechanisms and responsible units for non-tax revenue collection of SNA;
- Strengthen the use of Non-tax Revenue Information Management System (NRMIS) at SNA and the use of information technology systems for the collection and management of non-tax revenues at one window mechanisms, where these two systems have already integrated data. At the same time, it is also necessary to review the integration of data between the Non-tax Revenue Information Management System (NRMIS) at the SNA with Financial Information Management System (FMIS).
- Review and determine the administrative service functions that have been transferred to DMK administrations and set appropriate service fees from the implementation of these functions as budget revenues of DMK administrations.
- Transfer additional administrative or public service functions that can generate service fees or charges to SNA. In this regard, consideration should also be given to delegating administrative service functions from Capital administrations to Khan administrations when the functions and structures of Capital administration is transited to metropolitan administration, as well as delegating service functions from Provincial administrations to DM administrations when the functions and structures of Provincial administrations is transited to regional administrations.
- Study various options for utilizing revenues collected from service users for the implementation of delegated functions at the sub-national administration (for example: solid waste management, public transport services, recreational services, and local health services);
- Strengthen the collection of revenues from leasing assets managed by SNA and sharing revenues from the management of state assets from the national level to SNA.

Responsible Agency: Ministry of Economy and Finance, Ministry of Interior, NCDDDS & SNA

Participating agency: Relevant Line Ministries & DPs

Indicators and Targets for Priority Activity 4.3.4

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Annual non-tax revenue of DM Administrations	12,019 million riels	Increased	Increased	Increased	Increased	Increased
2	Annual non-tax revenue of CP Administrations	288,716 million riels	Increased	Increased	Increased	Increased	Increased

Priority Activity 4.3.5: Preparation of a Strategic Framework on Non-Tax Revenue of SNA

The strategy on non-tax revenues of SNA has been planned as a priority activity in the NP2 to be implemented in the IP5-II. However, during the implementation of the IP5-II, the NCDDS, with the participation of the Ministry of Economy and Finance and with the support of ISD/GIZ; SDC; LUXAID, two strategies are being studied, including (1). Strategy for managing revenues from administrative services through the one window mechanism and (2). Strategy for managing revenues collected for services of solid waste management at urban administrations. Based on this, the IP5-II will continue to study and prepare a strategic framework on non-tax revenues of SNA in line with the reform of the budget system of sub-national administrations (2026-2030).

Key tasks to be implemented in this priority activity include:

- Clearly define concept and legal frameworks governing service fees or charges with the objective of increasing own-source revenues of SNA derived from public service delivery.
- Review to adjust service scopes and/or introducing new services for SNA, and/or transferring service delivery functions among SNA in accordance with their functions and organizational structures, which have been restructured in line with metropolitan, regional, local, urban, and rural administrative characteristics, and as well as in line with service delivery functions transferred from ministries and national institutions, in order to expand new sources of non-tax revenue for SNA.
- Promoting the sharing of non-tax revenues between the national level and SNA.
- Strengthening the management of revenues generated from assets owned by SNA.

Responsible Agency: Ministry of Economy and Finance, Ministry of Interior, NCDDS & SNA

Participating agency: Relevant Line Ministries & SNA

Indicators and Targets for Priority Activity 4.3.5

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Strategic Framework on Non-Tax Revenue of SNA		Prepared	Implemented			

Expected Output 4.4: State assets are transferred and the management are strengthened by SNAs.

Within the framework of decentralization and de-concentration reform and public financial management reform, legal documents related to the management of state assets of SNA have been prepared, revised and implemented in order to provide SNA the authority and responsibility to manage and use these state assets in a sustainable and effective manner, including Sub-Decree No. 66 on Rules and Procedures for Managing State Assets Inventory (2017), the Law on the Management and Utilization of State Assets (2020), and many other relevant legal documents. In addition, the State Assets Registration Management Information System (SARMIS) has also been implemented in the CP, DM, CS, Sectoral Departments and Units of Line Ministries/Institutions at the CP levels since 2021. Therefore, it is necessary to continue to strengthen the management of these assets more effectively.

Meanwhile, functions, human resources, and financial resources in some sectors were also transferred to SNA during the implementation of IP5-I of NP2 but the state assets to be transferred in connection with those functions have not yet been officially carried out. Therefore, the IP5-II will accelerate the transfer of those state assets to SNA to be ownership in the management and utilize for the implementation of those transferred functions more effectively.

To achieve this Expected Output, IP5-II has identified 1 priority actions as follows:

Priority Activity 4.4.1: Strengthening the Sub-national Asset management and Transferring of State Assets to SNA.

Key tasks to be implemented in this priority activity include:

- Strengthen the management of assets of SNA through (1). Updating the inventory of state assets (2). Strengthening internal control and internal audit of SNA on the management of NSA’s state assets (3). Strengthening the capacity of SNA in managing state assets (4). Strengthening national supervision over the management and utilization of state assets SNA in accordance with the roles and responsibilities defined in force (management authorities, custodian authorities and utilization units of state assets)
- Assessing and developing the capacity of SNA to implement an information technology system for the management and registration of SNA’s state assets.
- Review and make decisions on the transfer of assets required for the implementation of sectoral functions transferred to CP and DM Administrations.
- Reviewing the principles and procedures for asset disposal of SNA and strengthening the capacity of SNA in conducting asset disposal.

Responsible Agency: Ministry of Economy and Finance, Ministry of Interior and NCDDDS

Participating agency: Relevant Line Ministries and Institutions.

Indicators and Targets for Priority Activity 4.4.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	% of CP administrations implement online of State Asset Registration and Management Information System (SARMIS)		100%				
2	% of DM administrations implement online of State Asset Registration and Management Information System (SARMIS)			100%			
3	CS Administrations implement online of State Asset Registration and Management Information System (SARMIS)				100%		
4	Number of line ministries/institutions officially transferred the transfer state assets to SNA		4	16			

Expected Output 4.5: Unconditional fund are increased and allocated to SNA according with clear and equitable formulas and criteria.

Unconditional transfers were established to transfer resources from the national budget to SNA to be used for (1). Performing statutory duties (2). Performing functions in the creation, promotion and sustainability of democratic development (3). Expenditure on their own administration and (4). Selecting, managing and implementing permissive functions. From 2002 to the present, Unconditional transfers that have been established and transferred to SNA include: (1). Commune/Sangkat Fund (CSF) has been established in 2002 to allocate and transfer resources from the national budget and resources from other legal sources to CS administrations (2). Transferring additional resources from the national budget at a rate of 1% to CS administrations for local development from 2020 onwards and (3). District/Municipal Fund (DM Fund) has been

established in 2012 to allocate and transfer resources from the national budget and resources from other legal sources to DM administrations.

To achieve this Expected Output, IP5-II has identified 3 priority activities as follows:

Priority Activity 4.5.1: Increasing the Transfer of Financial Resources to Municipal/District and CS Administrations.

This priority activity focuses on increasing unconditional financial resources to DM and CS administrations to enable DM and CS administrations to have more adequate resources to carry out their general mandates and to be able to contribute to the shortfall in administrative operating costs as well as the implementation of new functions through (1). Increasing the rate of resource transfers from the state budget to DM Fund and CS Fund and (2). Reviewing and revising the formula and criteria for the equitable allocation of resources from DM Fund and CS Fund to each DM and CS administration in order to reduce the development gap between urban and rural areas and (3). Continuing to maintain the additional resources from the state budget to CS administrations at a rate of 1% per year for local development during the IP5-II.

Responsible Agency: Ministry of Economy and Finance, Ministry of Interior and NCDDS

Participating agency: Relevant Line Ministries, Institutions and DPs.

Indicators and Targets for Priority Activity 4.5.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	% of Contribution Resources from National budget to the DM Fund	1.60%	1.60 %	1.60%	1.60 %	Increased	
2	% of Contribution Resources from National budget to the CS Fund	3.50%	3.50 %	3.50%	3.50 %	Increased	
3	% of additional resources from National budget for CS administrations.	1%					

Priority Activity 4.5.2: Strengthening the Management System of Sub-national Administration Fund

This activity focuses on establishing clear principles and procedures for the management and allocation of Sub-national Administrative Fund to each sub-national administration in a transparent, efficient, and equitable manner.

Responsible Agency: Ministry of Economy and Finance, Ministry of Interior and NCDDS

Participating agency: SNA.

Indicators and Targets for Priority Activity 4.5.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Principles and Procedure for allocation and transfer of Sub-national Administration Fund.		Prepare	Implemented			

Priority Action 4.5.3: Strengthening the Management of Unconditional Transfers for the Implementation of Social and Environmental Sanitation Projects

This priority activity focuses on the strengthening of management and utilization of unconditional transfers for implementing the social and environmental sanitation projects in line with enforced regulation by take into account on issues of social protection, climate change and disaster; and enhancing the inclusiveness and social equity through:

- Strengthen the capacity of DM and CS Administrations in preparing budget plan for social service and environmental sanitation activities/projects based on allocated resources and integrating such budget plan into their respective annual budget plans;

- Strengthen budget execution for social service and environmental sanitation projects/activities in accordance with approved expenditure classifications and prescribed procedures, in order to ensure that approved projects/activities receive adequate resources for implementation in line with approved plans;
- Support and monitor regularly to DM and CS Administrations on the utilization of resources for social service and environmental sanitation projects/activities;
- Updating expenditure classifications, projects or activities of social service and environmental sanitation to respond to socio-economic changes and the actual needs at the local level.

Responsible Agency: Ministry of Economy and Finance and Ministry of Interior

Participating agency: SNA.

Indicators and Targets for Priority Activity 4.5.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	% of DM administrations integrating budget plan for social service and environmental sanitation projects/activities into their annual budgets.	0	100%	100%	100%	100%	100%
2	% of CS administrations integrating budget plan for social service and environmental sanitation projects/activities into their annual budgets.	0	100%	100%	100%	100%	100%

Expected Output 4.6: Conditional financial Resources are Transferred and Managed by SNA in Efficiency, Transparent, and Accountability Manner.

By 2025, SNA have been implementing some functions transferred from sectoral line ministries, such as the management and provision of health services function transferred from the Ministry of Health to the CP Administration, 6 functions transferred from the Ministry of Education, Youth and Sports to the DMK Administrations. Among the six functions, three functions were transferred through the assignment modality, including (1) the management of early childhood education, (2) the management of primary education, and (3) the management of non-formal education, and three other functions were transferred through the delegation modality, including (1) the administrative support function for general knowledge secondary education institutions, (2) the administrative support function for youth work, and (3) the administrative support function for education and sports work. Along with the transfer of functions from these two-line ministries, the financial resources and personnel were transferred to the CP and DMK Administrations to implement the transferred functions.

In fact, in 2025, the national level transferred conditional financial resources for implementing health sector functions amounting to KHR 926,558 million, equivalent to USD 226 million, and for implementing education sector functions in DMK administrations amounting to KHR 1,845,526 million equivalent to USD 450 million. Furthermore, in 2019, 19 sectoral line ministries transferred 49 functions (excluding education, youth and sport functions) to DMK Administrations through Sub-Decrees No. 182, 183, and 184 on the functions and organizational structures of DMK Administrations. However, the national level transferred financial resources to those administrations only to cover personnel expenditures and administrative operating costs. Meanwhile, financial resources and related state assets required for the implementation of the core activities of the transferred functions have not yet been transferred, which has resulted in DMK Administrations being unable to fully and effectively perform all those transferred functions.

In order to achieve this Expected Output 4.6, IP5-II has identified 2 priority activities, as follows:

Priority Activity 4.6.1: Strengthening the Management of Conditional Transfers for the Implementation of Obligatory Functions Assigned to SNA.

This priority activity will focus on strengthening the management, administration, and use of conditional financial resources for efficiency, transparency, and accountability in accordance with applicable financial principles and procedures through:

- Strengthen the accountability of departments/units integrated into the structure of the CP administrations (currently the CP Health Departments and State Childcare Centers) to the CP administrations by submitting to the CP Governor and Council for reviewing and approval of annual draft budgets, finance reports, performance reports on the implementation of functions within the framework of the program budgeting and other tasks prescribed by legal documents.
- Strengthen the accountability of offices/public educational institutions which integrated into the structure of the DMK administrations (currently technical offices and public educational institutions) to the DMK administrations by submitting to the DMK Governor and Council for reviewing and approval of annual draft budgets, financial reports, performance reports on the implementation of functions and other tasks prescribed by legal documents.
- Strengthen the management, administration and use of conditional transfers for efficiency, transparency and accountability through internal auditing of each SNA and external auditing/financial inspections according to established principles, as well as strengthening the accountability of SNA to ministries, institutions and the Royal Government.

Responsible Agency: Ministry of Economy and Finance, Ministry of Interior and SNA Ministry of Health & NCDDS

Participating agency: Relevant Line Ministries and Institutions

Indicators and Targets for Priority Activity 4.6.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	% of CP administrations that approved annual draft budgets for conditional transfers implementation.		100%	100%	100%	100%	100%
2	% CP administrations that approved annual financial statements and performance reports on conditional fund. implementation.		100%	100%	100%	100%	100%
3	% of DMK administrations that approved annual draft budgets for conditional transfers implementation.		100%	100%	100%	100%	100%
4	% CP administrations that approved annual financial statements and performance reports on conditional fund.		100%	100%	100%	100%	100%

Priority Activity 4.6.2: Determination and Transfer of Appropriate Conditional Financial Resource to SNA.

This priority activity will focus on:

- Finalize the study report and in-depth analyses to determine appropriated size of financial resources for some obligatory functions transferred to DMK Administrations.
- Develop a regulatory framework for transfer, management and utilization of conditional transfers for obligatory functions transferred to SNA Administrations.
- Support and monitor the management and utilization of conditional financial resources which are transferred to SNA.

Responsible Agency: Ministry of Economy and Finance, NCDDS and Functional Transfer Ministries

Participating agency: Relevant Line Ministry & SNA

Indicators and Targets for Priority Activity 4.6.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Study report on functions and resources of all 19 technical sectors transferred to DMK Administrations.	Draft	Approved				
2	Legal framework for transfer of conditional financial resources for implementing some key obligatory functions which transferred to SNA.		Approved				
3	Conditional Financial Resources for some key obligatory functions transferred to DMK Administrations.			Approved	Approved	Approved	Approved

Expected Output 4.7: The Framework for Financing Public Investment of SNA Is Strengthened and Improved

Public investment management of SNA refers to the management of investment projects financed by own financial source of SNA, national financing and development partners financing and other lawful external financing sources.

Public investment management at the SNA is identified as a component of the Public Investment Management Reform Strategy (2019–2025). This strategy is currently undergoing an update and extension to the 2025–2028. The updated Public Investment Management Reform Strategy (2025–2028) aims to establish a “**National Single Public Investment Management System**” ensuring responsiveness, effectiveness, efficiency, transparency, accountability, and sustainability in the allocation and utilization of public resources, in line with international best practices and Cambodia’s national context.

In order to effectively implement the above strategy, it is necessary to strengthen public investment management at SNA, establish and continue funding mechanisms to accelerate local development and improve the efficiency of public service delivery, including (1). Sub-national Administration Investment Fund (2). Fraternity Fund and (3). Special Fund, etc. Therefore, to achieve this expected result, P52 has planned 04 priority activities as follows:

Priority Activity 4.7.1: Strengthening the Management of Public Investment at Sub-National Administration

This activity focuses on strengthening public investment management using the SNA's own budget, funds mobilized from development partners, and other legitimate sources, in line with the updated Strategy on Public Investment Management Reform (2025-2028) through (1). Preparing public investment project proposals (2). Preparing of CP budget strategic plans to integrate and align budgeting from all sources and expenditure items (3). Establishing a public investment pre-budgetization mechanism to fulfill the administrative function of public investment project management (4). Implementing financial support mechanisms for feasibility studies and project preparation (5). Managing project operations according to resource sources (6). Implementing principles and procedures for managing the use and maintenance of public infrastructure (7). Implementing a public investment project data management system (8). Building and developing the capacity of civil servants in public investment project management skills and (9). Monitoring, and evaluating the public investment project management system. The update of this strategic plan must be coordinated with the preparation of the Sub-National Administration Budget Reform Strategy (2026-2030), aimed at ensuring greater authority to SNA in managing and implementing

public investment projects of SNA more effectively and ensuring the strengthening of the national monitoring and audit system.

Responsible Agency: Ministry of Economy and Finance and Ministry of Interior

Participating agency: Relevant Line Ministries, Institutions and SNA

Indicators and Targets for Priority Activity 4.7.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Updated Public Investment Management Reform Strategy (2025–2028)	Drafted	Approved				

Priority Activity 4.7.2: Strengthening the Management of Sub-National Administration Investment Fund (SNIF)

The Sub-National Administration Investment Fund (SNIF) has been implemented since 2017, with financial resources allocated to SNA through a competitive mechanism based on annual performance achievements of each SNA in compliance with applicable laws and regulations. To date, only DMK Administrations have been authorized to participate in the competition to access funding from this Investment Fund.

Therefore, in IP5-II, these priority activities will focus on:

- Examine the possibility of expanding the scope to other SNA to compete for funding from this facility.
- Review and improve the annual performance assessment principles of SNA to ensure that they respond to the actual development of socio-economic development and capacity of SNA and newly issued legal documents.
- Prepare performance assessment principles for other administration levels, especially for CS administrations.
- Review and redefine the sources of financial resources for this fund for the future.
- Review and revise the formula and criteria for allocation to SNA that can access to the fund.
- Study the possibility of including resources provided by this fund in the SNA’s annual budget plan.

Responsible Agency: Ministry of Economy and Finance, Ministry of Interior and NCDDS

Participating agency: SNA

Indicators and Targets for Priority Activity 4.7.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Revised Annual Performance Assessment principles for DM Administrations		Approved				
2	Annual performance assessment principles for CS Administrations			Approved			

Priority Activity 4.7.3: Establishment of Fraternity Fund for SNA

Based on demands of local development and public service delivery of local citizens within each SNA jurisdiction are increasing and existing resources of SNA remain insufficient to adequately respond to those needs. Therefore, IP5-II, this priority activity will focus on:

- Establishing and operationalizing Fraternity Fund, which may be of sources of revenues derive from the sharing of certain non-tax revenues of the national level and/or

- Conduct study and periodic review of the implementation of the Fraternity Fund, which may generate additional revenue sources through the sharing tax revenues from CP Administrations. This is aimed at reallocating a portion of revenues from CP Administrations with high potential revenues to Provincial Administration with lower potential revenues, in order to reduce disparities in development and public service delivery among SNA at the same administrative level.
- Determining the rules and procedures for managing and implementing; including criteria and formulas for allocating resources from the above Funds to each SNA in transparency and equity manners.

Responsible Agency: Ministry of Economy and Finance, Ministry of Interior and NCDDS

Participating agency: Relevant Line Ministries, Institutions and SNA

Indicators and Targets for Priority Activity 4.7.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Sub-Decree on the establishment and operation of the Fraternity Fund	Draft	Approved				
2	Principles, rules and procedures for management and implementation of the Fraternity Fund.	–		Approved			
3	Transfer of Fraternity Fund to DM and CS administrations.			1			

Priority Activity 4.7.4: Study and Preparation a Framework for Establishing a Special Fund

This activity focuses on conducting studies to determine various options for enabling SNA to access additional financing sources for investment, through the establishment of a Special Fund within the national budget. The fund is intended to provide targeted support for infrastructure development, and local economic development of SNA with limited development potential, as well as additional infrastructure development for SNA located in national economic growth poles in order to reduce regional development disparities and contribute effectively to the promotion of national economic growth.

In cases where these mechanisms are established, it is necessary to consider options for managing these mechanisms, which could operate separately or be integrated into the Sub-national Administrative Investment Fund or Fraternity Fund.

Responsible Agency: Ministry of Economy and Finance

Participating agency: Ministry of Interior and Relevant Line Ministries/Institutions

Indicators and Targets for Priority Activity 4.7.4

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Study report on the feasibility for establishing Special Fund.					Approved	

Expected Output 4.8: A Framework for Public–Private Partnerships (PPP) between SNA and the Private Sector Is Established and Implemented

The Law on Public–Private Partnership (PPP) has been in effect since 2021. The Law aims to promote the management of public-private partnership mechanisms in the preparation and implementation of public infrastructure projects and public service projects with efficiency, effectiveness, sustainability, transparency, accountability and justice for the greatest benefit to economic and social development in Cambodia. The management of public-private partnership mechanisms in the preparation and implementation of public infrastructure projects and public service projects for qualified sectors as follows:

- Infrastructures and public services serving the transportation and logistics sectors, including roads, bridges, railways, airports, ports, public parking lots and canals.
- Infrastructures for postal services, telecommunications, information technology and digital technologies.
- Production, transmission and distribution of electricity, oil and gas pipelines and other public services in the mining and energy sectors.
- Infrastructures for clean water supply and sanitation, sewage systems, drainage systems, pumping systems, wastewater treatment, waste management and other public services serving environmental protection.
- Infrastructures and public services related to the health sector, education, employment and vocational training, tourism, culture and arts, sports and social housing and
- Infrastructures related to the industry, science, technology and innovation sectors, including special economic zones, small and medium-sized industrial parks and technology and innovation parks.

The Royal Government has previously decided to identify three priority sectors for public-private partnership projects for a period of 10 years (2025-235), including the transport and logistics sector, the energy sector, and the public works sector. The public-private partnership mechanism for the preparation and implementation of public infrastructure projects and public service projects is only implemented at the national level. Therefore, during the implementation of the IP5-II additional studies will be initiated to establish the framework of partnerships between SNA and Private Sector to identify potential projects in various suitable sectors.

To achieve this Output, IP5-II has identified one priority activity as follows:

Priority Activity 4.8.1: Preparation and Implementation of Standard Operating Procedure for Partnership Projects between SNA and the Private Sector

This activity focuses on preparing a study on the scope and potential sectors for the development of a partnership framework between SNA and the Private Sector.

Key tasks to be implemented in this priority activity include:

- Identify sectors for investment under the partnership framework between SNA and the Private Sector that have the potential to generate more revenue, reduce costs and/or improve service delivery.
- Prepare and implement the Standard Operation Procedure for partnership projects between SNA and the Private Sector.

Responsible Agency: Ministry of Economy and Finance, Ministry of Interior and NCDDDS

Participating agency: Relevant Line Ministries/Institutions, SNA and Private Sector

Indicators and Targets for Priority Activity 4.8.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Standard Operation Procedures for partnership projects between SNA and the private sector.					Study	Approved

5. Component 5: Public Service Delivery and Local Development

5.1. Rationale

Enhancing the quality and efficiency of public service delivery and local development to serve the interests of citizens is a core objective of the Royal Government. To achieve this objective, the decentralization and deconcentration reform program has focused on “*moving decision-making authority on public service delivery and local development to SNA that are closer to the citizens.*”

During the implementation of IP5-I, although the structures and governance systems of SNA have been gradually improved, and functions, human resources, and financial resources have been increasingly transferred to them, the growing demands of citizens—driven by economic growth, urbanization, digital technology, modern lifestyles, climate change, disasters, severe communicable diseases, and various global crises—have required IP5-II to continue focusing on strengthening the structures and governance systems of SNA, as well as transferring functions, human resources, and financial resources to them. This is to ensure that SNA become institutions with greater capacity, resilience, integrity, and ownership in delivering public services and local development, effectively responding to needs, addressing local challenges, and serving citizens with efficiency, transparency, accountability, environmental sustainability, and social equity.

The four components mentioned above have concentrated on promoting and strengthening reform management, improving structures and functions of sub-national governance systems, enhancing the efficiency of human resource management and development, and improving transparency and accountability in the use of financial resources of SNA. Building on this foundation, Component 5 will continue to focus on increasing both the quantity and quality of public service delivery and local development, in order to respond to citizens’ needs and prioritize addressing local challenges more directly, rapidly, effectively, effectively, transparently, accountably, sustainably, and equitably.

5.2. Expected Outcomes

The expected outcome of Component 5 is: “SNAs have mechanisms, procedures, and standards for delivering public services and local development that respond to citizens’ needs with greater efficiency, transparency, accountability, sustainability, and social equity.”

To ensure achievement of this expected outcome over the next five years (2026–2030), focus must be placed on the following key tasks:

- **Clear definition of mandatory functions:** Establish explicit mandatory functions for each type and level of sub-national administration, requiring them to implement these functions in accordance with nationally defined conditions and standards.
- **Technical guidance and capacity building:** Promote, coordinate, and support relevant ministries and institutions in preparing technical guidelines for implementing both mandatory and optional functions. This includes dissemination and training for councils and staff of SNA to ensure clear understanding of conditions for using conditional resources (for mandatory functions) and discretionary resources (for optional functions), as well as principles, procedures, and standards for delivering public services and local development effectively, transparently, accountably, sustainably, and equitably.
- **Modernization of administrative service delivery:** Continue to promote, strengthen, and expand modernization of systems and procedures for administrative service delivery through the “One Window Service Mechanism” at SNA. This includes online service provision and fee payment systems that are convenient, fast, transparent, and trusted by citizens. In parallel, establish bundled administrative service procedures for permits requiring technical review and decisions from multiple specialized institutions.

Over the next five years, study the feasibility and appropriate options for establishing and operating **Public Service Malls** in major urban centers to consolidate administrative services from both national ministries/institutions and SNA in one place, making access easier and faster for citizens, especially those seeking employment or residing in large urban areas.

- **Promotion of sustainable local economic development:** Encourage SNA to advance sustainable local economic development to create jobs and increase citizens' incomes across communities. This includes promoting efficiency in attracting and registering investment projects within the jurisdiction of Capital and Provincial administrations, as well as supporting and strengthening small and medium enterprises, farmer cooperatives, handicrafts, and local product processing within the jurisdiction of each SNA. In addition, development along the border areas must also be given attention to ensure that SNAs located near the border receive development in infrastructure, economic activities, and sustainable and peaceful cooperation with neighboring countries
- **Strengthening partnerships and cooperation:** Continue to promote and expand close cooperation among SNA, and partnerships between SNA, civil society organizations, and the private sector in delivering public services and local economic development. These partnerships must be based on trust, integrity, and a spirit of serving the broader public interest.
- **Mainstreaming resilience and risk reduction:** Integrate climate change resilience, disaster risk reduction, and responses to severe communicable diseases into work procedures, public service delivery processes, and local economic development practices. This is a necessary focus for strengthening and enhancing implementation over the next five years.
- **Promoting the roles, duties, and responsibilities of SNAs in participating in the implementation of the social protection system** and programs such as social security schemes, national social assistance programs, and various legal frameworks established to strengthen income security and provide protection against risks and vulnerabilities that citizens may face.
- **Encouraging competition and performance evaluation:** Promote, strengthen, and expand competitive initiatives among SNA in delivering public services to citizens. This includes establishing mechanisms/systems for evaluating performance results of SNA in service delivery, as well as citizen satisfaction surveys on the quality and effectiveness of local development and public service provision.

5.3. Expected Outputs

The expected outputs of this component consist of four, as follows:

Expected Output 1: Management and implementation of functions by SNA in delivering public services to citizens are strengthened to become more effective.

Expected Output 2: The One Window Service Mechanism at SNA is modernized, strengthened, and expanded to ensure administrative service delivery is simpler, more convenient, faster, more efficient, transparent, and accountable.

Expected Output 3: Sustainable local economic development within sub-national administrations, as well as development in border areas, are promoted and strengthened

Expected Output 4: Climate-change resilience, disaster-risk management, responses to severe infectious diseases, and social protection measures are integrated into the management systems of SNAs.

Each expected output will be achieved through the preparation and implementation of several priority actions by the relevant institutions, as outlined below.

Expected Output 5.1: Management and implementation of functions by SNA in delivering public services to citizens are strengthened to become more effective.

By 2025, the Royal Government and relevant ministries/institutions have transferred various sectoral functions to SNAs for management, organization and implementation of public service delivery and local development, in line with national policies and in response to the specific needs of citizens at each locality.

However, the functions transferred to SNA have not yet been clearly defined into:

- **Obligatory functions** that each sub-national administration must implement without exception, and
- **Permissive/Optional functions** that SNA may choose to implement to respond to diverse and specific local needs.

At the same time, some transferred functions still lack technical guidelines and training for councils and staff of SNA to ensure clear understanding in leading, managing, organizing, and implementing those functions effectively.

In this regard, to promote and strengthen the implementation of transferred functions by SNA more effectively during IP5-II, focus must be placed on preparing and implementing the following 2 priority activities:

Priority Action 5.1.1: Enhancing the management and implementation of obligatory functions of SNA

Obligatory functions are those transferred to SNAs through laws and official legal instruments. SNA must implement these obligatory functions without exception. In carrying out these functions, they must be accountable to citizens and accountable to the ministries and institutions of the Royal Government, in compliance with the legally established conditions and standards.

To strengthen the management and implementation of mandatory functions by SNAs, focus should be placed on the following key tasks:

- **Clear definition of obligatory functions:** Issue sub-decrees to explicitly identify the obligatory functions transferred to SNAs, ensuring that each SNA knows precisely which functions must be implemented without exception, and that they lead, manage, organize, and implement these functions effectively in line with established conditions, procedures, and standards.
- **Technical guidance and training:** Coordinate, promote, and support relevant ministries and institutions in preparing, reviewing, and improving technical guidelines for implementing obligatory functions. Disseminate and provide training on these guidelines to councils and staff of SNA to ensure clear understanding in leading, managing, and implementing obligatory functions effectively.
- **Monitoring, supervision, and technical support:** Promote and strengthen regular monitoring, supervision, and provision of technical support to SNA in leading, managing, organizing, and implementing obligatory functions. This ensures that SNA can effectively carry out their obligatory functions within their jurisdiction in compliance with established conditions and standards.
- **Evaluation for improvement:** Conduct evaluations of leadership, management, organization, and implementation of obligatory functions transferred to SNA to provide a basis for improvement. These evaluations should focus on functions such as health services transferred to Capital and Provincial administrations, solid waste management and education, youth, and sports functions transferred to municipal, District, and Khan administrations.

Responsible Agency: Secretariat of NCDD and Ministry of Interior

Participating Agency: Relevant ministries, institutions, and SNAs

Table of Indicators and Targets for Priority Action 5.1.1

No.	Indicators	targets					
		Baseline	2026	2027	2028	2029	2030
1	Sub-decree on defining obligatory functions of SNA	–	approved	–	–	–	–
2	% of obligatory functions with technical guidelines and training provided to SNA	–	–	50%	80%	90%	100%
3	Evaluation report on implementation of health functions	–	Approved	–	–	–	–
4	Evaluation report on implementation of urban solid waste management functions	–	–	Approved	–	–	–
5	Evaluation report on implementation of education, youth, and sports functions	–	–	–	–	Approved	–

Priority Action 5.1.2: Enhancing the management and implementation of permissive functions of SNA

Permissive/optional functions refer to those not defined as obligatory functions. SNAs have the right to select permissive/optional functions for implementation in order to respond to citizens’ priority needs identified in their 5-year development plans and rolling three-year investment programs. Permissive/optional functions can be implemented by SNA, if there is no objection from relevant ministries and institutions.

In practice, based on Sub-Decree No. 285, dated 18 November 2014 on the selection, management, appointment, and implementation of permissive/optional functions by SNA councils, SNA have already selected and implemented many permissive/optional functions to address citizens’ challenges and needs, as identified in their development plans and investment programs. These include infrastructure projects (roads, schools, bridges, irrigation systems, drainage), as well as social services and environmental sanitation projects.

The preparation and implementation of these permissive/optional functions have been guided by long-standing procedures such as the CS Project Implementation Manual (PIM), Municipality /District Project Implementation Manual (DIM) and CP Project Implementation Manual

However, these manuals do not yet cover all technical aspects, particularly for social service and environmental sanitation projects, or projects requiring specific technical standards.

Therefore, over the next five years, it is necessary to:

- Review, update, and improve the manuals for sub-national project preparation and implementation (PIM, DIM, CP manuals), including procedures for social service and environmental sanitation projects. Updates must integrate ICT use, climate change resilience, disaster risk reduction, environmental and social safeguards, gender equality, sustainability, and social equity.
- Disseminate and provide training to councils and staff of SNA on the updated manuals.
- Monitor, supervise, and support SNA in preparing and implementing infrastructure, social service, and environmental sanitation projects under the framework of optional functions.

Responsible Agency: Ministry of Interior and the Secretariat of NCDD

Participating Agency: Relevant ministries, institutions, and SNA

Table of Indicators and Targets for Priority Action 5.1.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Updated CS Project Implementation Manual (PIM), including procedures for social service and environmental sanitation projects	–	Approved	–	–	–	–
2	Updated Municipality/District Project Implementation Manual (DIM), including procedures for social service and environmental sanitation projects	–	Approved	–	–	–	–
3	Updated CP Project Implementation Manual, including procedures for social service projects	–	Approved	–	–	–	–
5	% of Communes/Sangkat trained on updated PIM			100%	–	–	–
6	% of Municipalities/Districts trained on updated DIM			100%	–	–	–
7	% of Capitals/Provinces trained on updated CP manual	–	–	100%	–	–	–

Expected Output 5.2: The One Window Service Mechanism at SNA is modernized, strengthened, and expanded to ensure administrative service delivery is simpler, more convenient, faster, more efficient, transparent, and accountable.

The provision of administrative services through the One Window Service Mechanism at SNA began in 2005, with gradual review, evaluation, and improvement. In 2017, the mechanism was expanded and rolled out across SNA nationwide.

Overall, the OWSM has been recognized as an effective mechanism that has gained strong satisfaction from citizens. During the implementation of IP5-I, the mechanism was continuously promoted, strengthened, and improved through modernization, including the introduction of online administrative service procedures and fee payment systems at selected Capital/Provincial and Municipal/District administrations.

However, due to changes in political, economic, urbanization, information technology, rising social service demands, and the gradual improvement of structures, governance systems, functions, and capacities of SNA, it has become necessary to review the scope, types, standards, and procedures of administrative service delivery through the OWSM. This ensures citizens have greater convenience in accessing and receiving quality administrative services with trust and confidence. At the same time, the delivery of mobile administrative services to citizens, especially vulnerable groups and those facing difficulties in remote communities far from service centers—also needs to be strengthened and expanded.

In this regard, over the next five years, focus must be placed on preparing and implementing the following 5 priority activities:

Priority Action 5.2.1: Modernizing systems and procedures for administrative service delivery through the One Window Service Mechanism (OWSM) at SNA

This activity focuses on:

- Reviewing, improving, and expanding the implementation of systems/procedures for administrative service delivery and fee payment online/digital of the OWSM at SNA, especially at Provincial and Municipal/District/Khan administrations nationwide.
- Establishing and operationalizing mechanisms/systems for evaluation or citizen satisfaction surveys regarding the quality of administrative services delivered through the OWSM at each sub-national administration.

Responsible Agency: Ministry of Interior

Participating Agency: Relevant ministries, institutions, and SNAs

Table of Indicators and Targets for Priority Action 5.2.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	% of Provincial administrations delivering administrative services through online/digital systems	48%	100%	–	–	–	–
2	% of municipal/District administrations deliver administrative services through online/digital systems	4%		100%			
3	% of Capital/Provincial administrations with citizen satisfaction survey mechanisms on service quality	–	–	100%	–	–	–
4	% of municipal/District/Khan administrations with citizen satisfaction survey mechanisms on service quality	–	–	100%	–	–	–

Priority Action 5.2.2: Promoting the Provision of Mobile Administrative Services

Currently, some SNAs have been providing mobile administrative services to citizens living in communities located far from administrative service centers. The aim is to help people in remote areas—who often face difficulty accessing administrative services and obtain legal documents needed for daily life, job seeking, livelihood activities, lawful business operations, and other essential basic services. This case reflects the commitment of sub-national administrations to delivering inclusive public services that genuinely benefit citizens. This good initiative should be further encouraged and expanded to other sub-national administrations nationwide.

Key tasks to be implemented under this priority action include:

- Compiling, disseminating, and sharing good practices and lessons learned related to the delivery of mobile administrative services with SNAs.
- Promoting and supporting SNAs in organizing mobile administrative service delivery in accordance with their actual conditions and capacities.

Responsible Agency: Ministry of Interior and SNAs

Participating Agency: SNAs

Indicator Table and Targets for Priority Action 5.2.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Number of SNA that have provided mobile administrative services	2	4	10	20	50	100

Priority Action 5.2.3: Review and revise the scope, types, standards, and procedures of administrative service delivery at different levels and types of SNA

This activity focuses on studying and revising the scope, types, and standards of administrative services currently under the jurisdiction of each SNAs. The aim is to make them more appropriate to the structures, governance systems, roles, functions, and capacities of each level of sub-national administration, thereby ensuring faster, more efficient, transparent, accountable service delivery with higher citizen satisfaction.

Responsible Agency: Ministry of Interior

Participating Agency: Relevant ministries, institutions, and SNAs

Table of Indicators and Targets for Priority Action 5.2.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Updating the list of administrative service categories of the DMKs		1		1		1
	Updating the list of administrative service categories of Capital and Provincial administrations		1		1		1

Priority Action 5.2.4: Developing bundled administrative service delivery procedures through the One Window Service Mechanism (OWSM) at SNA

Currently, One Window Offices at sub-national level only consolidate sectoral services in one place, without yet streamlining procedures or reducing forms. As a result, bundled services, especially permits and licenses involving multiple sectors—are not fully organized. Streamlining these procedures will reduce paperwork and make services more convenient, particularly for business operators.

Key tasks include:

- Reviewing the types of administrative services currently provided through the One Window mechanism at SNAs in order to identify which services can be organized and delivered as bundled services to citizens.
- Developing procedures for delivering bundled administrative services by streamlining processes and eliminating unnecessary forms and requirements.
- Disseminating and providing training to SNAs on the procedures for delivering bundled administrative services through the One Window mechanism.

Responsible Agency: Ministry of Interior

Participating Agency: Relevant ministries and SNA

Table of Indicators and Targets for Priority Action 5.2.4

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Bundled administrative service delivery procedures	None	Study	Approved	Implement		

Priority Action 5.2.5: Feasibility Study on Establishing a Public Service Mall/Center

At present, although some administrative services have been delegated to SNAs for delivery through the One Window Service mechanism, many other services are still being provided directly by line ministries and competent national institutions at various separate locations. This situation continues to create inconvenience for citizens in locating and accessing the services they need.

Based on lessons learned from implementing the One Window Service mechanism at sub-national level, as well as good practices from other countries, it is appropriate to consider establishing Public Service Center—Public Service Mall—that bring together services under the mandates of ministries, national institutions, and SNAs in one place. Such centers/Malls would be especially beneficial in major urban areas such as Phnom Penh, Sihanoukville, Siem Reap, Battambang, and Kampong Cham. This arrangement would improve service delivery efficiency and make it significantly easier for citizens to access a full range of services in a single location.

To advance this initiative, key activities include conducting a feasibility study and identifying appropriate options for establishing and operationalizing Public Service Malls in major population centers. These public service malls would consolidate all services—both those under national ministries and those under SNAs—into one location, ensuring citizens can conveniently access all required services across all sectors.

Responsible Agency: NCDD Secretariat and Ministry of Interior

Participating Agency: Relevant ministries, institutions, and SNA

Table of Indicators and Targets for Priority Action 5.2.5

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	A feasibility study on establishing public service mall/centers	None		study	Approved	Implement	

Expected Output 5.3: Sustainable local economic development within SNAs, as well as development in border areas, are promoted and strengthened

Local economic development under IP5-II refers to the process of cooperation among local administrations, the private sector, community organizations, and other stakeholders to promote and strengthen local economic activities, with the aim of creating employment opportunities and increasing citizens' incomes. This is achieved by effectively and sustainably utilizing the existing potential within each SNAs.

Local economic development is a fundamental pillar of the national economy. Therefore, promoting and enhancing local economic development is a crucial task in contributing to the achievement of the five goals of the Royal Government's Pentagon Strategy: (1) Ensuring economic growth (2) Creating more employment opportunities (3) Achieving poverty reduction targets (4) Strengthening governance capacity and improving institutional quality (5) Ensuring sustainability of socio-economic development.

Based on the progress of decentralization and deconcentration reforms through the preparation and implementation of the National Program for Sub-National Democratic Development (NPSDD), SNAs have been strengthened to become more autonomous, capable, and effective in leading, managing, and organizing not only administrative work, social safety, and public order, but also public service delivery and local development to respond to citizens' priority needs.

In recent years, many sectoral functions have been transferred to SNA, including administrative services, investment project registration, and public service delivery in various sectors such as economy, social affairs, commerce, industry and handicrafts, tourism, agriculture, water resources management, environment and natural resources, public works and transport, mines and energy, culture, education, health, urban planning, land management, and construction and labor and vocational training...

The transfer of more sectoral functions to SNA not only provides them with greater authority and responsibility but also creates opportunities for them to initiate innovative ideas to promote and enhance **local economic development**. This includes fostering favorable conditions, encouragement, and support for the creation and expansion of businesses, handicrafts, small and medium enterprises, farmer cooperatives, and local production communities, based on the existing potential in each sub-national administration. The goal is to create employment opportunities and increase citizens' incomes at the local level. In addition, cross-border area development also requires focused attention to ensure that sub-national administrations located along the border receive sustainable and peaceful development—covering infrastructure, economic activities, and cooperation with neighboring countries.

To achieve this expected output, it is necessary to prepare and implement 6 priority actions, as follows:

Priority Action 5.3.1: Promoting and facilitating the registration of investment projects with capital of up to 5 million USD.

The key tasks to be implemented under this priority activity include:

- Promoting the development of legal and regulatory documents for delegation of authority, along with the preparation of technical guidelines from relevant ministries and institutions.
- Preparing, disseminating, and providing training on the principles and procedures for registering investment projects with capital of up to 5 million USD to capital and provincial investment sub-committees and relevant entities, and promoting digital registration.

- Studying, compiling, and updating information on key potentials within capital and provinces for dissemination and investor attraction, both domestic and foreign.
- Monitoring, supervising, and supporting capital and provincial administrations in registering investment projects with capital of up to 5 million USD.
- Studying the feasibility of delegating authority to capital and provincial administrations for the registration and issuance of operating certificates for companies, enterprises, and handicraft businesses, in accordance with the size of investment projects with capital of up to 5 million USD.

Responsible Agency: Ministry of Interior, NCDDS, Capital and Provinces

Participating Agency: Relevant ministries, institutions, and CDC

Table of Indicators and Targets for Priority Action 5.3.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Guideline on the Principles and Procedures for Investment Project Registration	draft	approved				
2	Number of Capital and provincial administrations that received training on the principles and procedures for investment project registration		25				
3	Digital system for investment project registration	study	designed				

Priority Action 5.3.2: Development of a Strategic Plan for Promoting Sustainable Local Economic Development at SNA

In recent years, SNAs have actively engaged in promoting local economic development by using their discretionary resources to implement small and medium-scale infrastructure projects such as road and bridge construction to facilitate travel and transport of community products to markets, and irrigation systems to support increased agricultural productivity.

At the same time, some SNAs have implemented income-generating activities/projects such as establishing poultry groups, fish farming groups, and vegetable-growing groups to improve citizens’ livelihoods. These projects have often been organized and implemented within the framework of separate programs/projects by relevant ministries, institutions, and development partners.

However, to ensure that SNAs have a clear roadmap for promoting sustainable local economic development, especially in creating employment opportunities and increasing citizens’ incomes—over the next five years, focus must be placed on preparing and implementing the following key activities:

- **Development of a Strategic Plan** for promoting sustainable local economic development at SNAs, serving as a roadmap for them to promote and enhance local economic development within their jurisdiction. The plan should focus on:
 - Vision for sustainable local economic development
 - Roles and responsibilities of SNAs in promoting sustainable local economic development
 - Utilization of existing local potential to drive sustainable local economic development
 - Creating favorable conditions for the private sector to establish, strengthen, and expand businesses, enterprises, and small and medium industries at the local level
 - Supporting initiatives related to modern agricultural cooperatives, local production communities, and transitioning from household-based economies to commercial economies
 - Training needs for youth and women in vocational skills, enterprise management, and small/medium business development at the local level

- Organizing a consultation forum between SNAs and the private sector, civil society organizations, and local communities on promoting local economic development
 - Making policies to encourage and attract both domestic and foreign investors
 - Marketing strategies and creation of networks for local products
- **Review and improvement of technical guidance document** on local economic development for Municipal/District councils, ensuring alignment with the strategic plan for promoting sustainable local economic development.

Responsible Agency: NCDD Secretariat and Ministry of Interior

Participating Agency: Relevant Ministries and SNAs

Table of Indicators and Targets for Priority Action 5.3.2

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Strategic plan for promoting local economic development at SNA	None	study	Adopted	–	–	–
2	Improved technical guidance documents on local economic development	–	–	Approved	–	–	–

Priority Action 5.3.3: Enhancing awareness of councils and staff of SNAs on sustainable local economic development

Following the development and adoption of the Strategic Plan for Promoting Sustainable Local Economic Development at SNA (Priority Action 5.3.2), it is necessary to widely disseminate this plan to increase awareness among councils and staff about the vision of local economic development and the important role of SNAs in promoting sustainable local economic development within their jurisdiction.

This activity focuses on:

- Disseminating the strategic plan and improved technical guidance documents on local economic development to councils and staff of SNA.
- Encouraging and supporting SNA to initiate ideas, prepare, and implement activities/projects related to sustainable local economic development in line with the strategic plan.
- Studying, compiling, disseminating, and sharing lessons learned and good practices on local economic development among SNA.

Responsible Agency: NCDD Secretariat, Ministry of Interior

Participating Agency: SNA, private sector, and civil society organizations

Table of Indicators and Targets for Priority Action 5.3.3

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	% of Municipal/District administrations implementing local economic development projects	–	–	5%	10%	25%	50%
2	Number of workshops to share lessons and experiences on local economic development among municipal/District administrations	–	–	–	1	1	1

Priority Action 5.3.4: Coordination and mobilization of development partners and civil society organizations to support and participate in implementing the strategic plan for promoting local economic development

The Royal Government, ministries, institutions, development partners, and civil society organizations have cooperated to prepare and implement many projects/programs to support local economic development, focusing on job creation, income generation, and improving citizens' livelihoods. However, these projects/programs were implemented separately, without a systematic approach to strengthen the accountability of SNA.

The key tasks to be implemented under this priority activity include:

- Disseminating the strategic plan for promoting sustainable local economic development at the sub-national level to development partners and relevant civil society organizations, in order to mobilize their participation and support in advancing and implementing the strategy.
- Coordinating with development partners and civil society organizations to mobilize their engagement and support for implementing the strategic plan for promoting sustainable local economic development at the sub-national level, ensuring that SNAs have the necessary resources and ownership to drive sustainable local economic development.

Responsible Agency: NCDD Secretariat, Ministry of Interior and SNAs

Participating Agency: Development partners, and civil society organizations

Table of Indicators and Targets for Priority Action 5.3.4

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Number of development partners supporting implementation of the strategic plan for local economic development				2	4	5

Priority Action 5.3.5: Promoting and encouraging private sector participation in enhancing local economic development

The private sector is an essential and indispensable actor in contributing to local economic development. Private investment in manufacturing, agriculture, services, tourism, and the establishment of business and enterprise bases creates employment opportunities for local communities. At the same time, private investment brings new technologies, knowledge, and innovation that help accelerate local economic growth.

The key tasks to be implemented under this priority activity include:

- Encouraging SNAs to regularly compile and update data on local businesses, handicraft enterprises, agricultural activities, service providers, and producer groups within their jurisdictions. This information will be used to support the private sector in expanding their investments, strengthening business growth, and creating more local employment.
- Promoting SNAs to prepare and implement policies that encourage, build trust, and create favorable conditions to attract private investors to invest in potential sectors at the local level, including public-private partnerships (PPP) in public service delivery.

Responsible Agency: NCDD Secretariat, Ministry of Interior and SNAs

Participating Agency: Relevant Ministries and Private Sectors

Table of Indicators and Targets for Priority Action 5.3.5

No.	Indicators	Target					
		Baseline	2026	2027	2028	2029	2030
1	% of Municipal/District administrations updating local business data annually		50%	70%	100%	100%	100%

Priority Activity 5.3.6: Formulation of a Border Area Development Strategy

Border area development is a strategically important task that requires a clear and comprehensive strategic plan to guide the planning and development of border regions adjacent to neighboring countries, ensuring peace, cooperation, and sustainable development.

The key tasks to be implemented under this priority activity include:

- Conducting studies and developing a strategic plan for border area development to serve as a roadmap for planning and developing border regions that ensure peace, cooperation, and sustainable development. The formulation of this strategy must involve consultations with SNAs, relevant ministries, institutions, and stakeholders.
- Preparing, disseminating, and implementing the strategic plan for border area development widely among SNAs, ministries, institutions, and relevant stakeholders.
- Mobilizing support, monitoring, supervising, and evaluating the implementation of the strategy to ensure effective, transparent, and accountable participation and support from ministries, institutions, SNAs, development partners, and stakeholders.

Responsible Agency: NCDD Secretariat, Ministry of Interior

Participating Agency: Ministries, SNAs, Development Partners and Private Sectors

Table of Indicators and Targets for Priority Action 5.3.6

No.	Indicators	Target					
		Baseline	2026	2027	2028	2029	2030
1	Strategic Plan for Border Area Development			study	adopted		
2	Workshop on Dissemination of the Strategic Plan for Border Area Development				1		
3	Evaluation Report on the Implementation of the Strategic Plan for Border Area Development						adopted

Expected Output 5.4: Climate-change resilience, disaster-risk management, responses to severe infectious diseases, and social protection measures are integrated into the management systems of SNAs.

Although the integration of climate change resilience and disaster-risk management and other severe infectious diseases into the management systems of SNAs was implemented during IP5-I, this work, which is highly important, has not yet been fully organized and operationalized as a systematic, nationwide practice across sub-national administrations. Therefore, this area of work must continue to be strengthened during IP5-II.

At the same time, the Pentagon Strategy of the Royal Government’s 7th mandate focuses on strengthening the resilience of the social protection system and maintaining its flexibility in responding to climate change, disasters, and various crises, evolving economic, social, and demographic factors—aimed at ensuring benefits for all citizens under the spirit of “**leaving no one behind.**”

Within the governance function of the social protection system, SNAs serve as key implementing institutions among the relevant stakeholders. In this regard, strengthening the roles, responsibilities, and accountability of SNAs in contributing to the implementation of the social protection system is an important priority under IP5-II as well.

To achieve these expected results, IP5-II has outlined 3 priority activities as follows:

Priority Action 5.4.1: Development of a Strategic Plan on Climate Change Resilience, Disaster Risk Management, and Emerging Infectious Diseases for SNA

Although climate change–related challenges are widely recognized as issues requiring urgent attention, SNAs currently lack systematic guidance for addressing and reducing climate-related risks within their administrative functions, public service delivery, and local development responsibilities. Therefore, over the next five years, it is necessary to develop and implement a Strategic Plan for Climate Change Resilience and Disaster and Emerging Infectious Diseases Risk Management to provide a clear roadmap for SNAs.

The key tasks to be implemented under this priority activity include:

- Conduct studies and develop a strategic plan for integrating climate change resilience, disaster risk management, and emerging infectious diseases for integration into the management systems, public service delivery, and local development functions of SNA.
- Disseminating and implementing the Strategic Plan on Climate Change Resilience, Disaster Risk Management, and Emerging Infectious Diseases within the management systems, public service delivery, and local development functions of SNA.
- Monitoring, supervision, and support to SNA in implementing the Strategic Plan on Climate Change Resilience, Disaster Risk Management, and Emerging Infectious Diseases within their management systems, public service delivery, and local development functions.

Responsible Agency: Secretariat of NCDD

Participating Agency: Relevant ministries and SNAs

Table of Indicators and Targets for Priority Action 5.4.1

No.	Indicators	Targets					
		Baseline	2026	2027	2028	2029	2030
1	Strategic Plan on Climate Change Resilience	–	adopted				

Priority Action 5.4.2: Strengthening and promoting implementation of technical standards for resilient service delivery

During IP5-I, technical standards for climate-resilient infrastructure construction and technical guidelines on adaptation of climate change in agricultural activities were reviewed, improved, and implemented across sub-national administrations.

The key tasks to be implemented under this priority activity include:

- Support and encourage SNAs to design and implement infrastructure projects and sectoral activities in accordance with technical standards related to climate resilience and climate change adaptation.
- Mobilizing financial and technical resources from development partners and relevant institutions to support SNAs in designing and implementing infrastructure projects and sectoral activities that ensure climate resilience and climate change adaptation.

Responsible Agency: NCDD Secretariat and relevant ministries

Participating Agency: Relevant ministries, institutions, and SNA

Table of Indicators and Targets for Priority Action 5.4.2

No.	Indicators	Target					
		Baseline	2026	2027	2028	2029	2030
1	% of Municipal/District administrations preparing and implementing resilient infrastructure projects			30%	50%	70%	70%

Priority Activity 5.4.3: Strengthening the Roles and Responsibilities of SNAs in Implementing the Social Protection System

In recent years, SNAs have played an important role in managing and coordinating social protection interventions, particularly social assistance programs. Their contributions include identifying target groups for the social protection system—such as poor households, vulnerable families, at-risk individuals, and informal tourism workers—distributing cash assistance and disseminating information and awareness on social protection.

However, the level of engagement and effectiveness of SNAs in managing and coordinating social protection varies across regions, depending on human resources, financial capacity, and the clarity of working relationships between SNAs and relevant competent institutions.

In response to this situation, the National Social Protection Policy Framework (2024–2035) provides strategic direction for strengthening the roles and responsibilities of SNAs in implementing the social protection system, focusing on (1) capacity development (2) clear delineation of roles, responsibilities, and working relationships among sub-national levels, and (3) promoting digitalization within SNAs to ensure effective implementation of social protection programs at the local level.

The key tasks to be implemented under this priority activity include:

- Reviewing relevant legal frameworks, policies, and regulatory documents to define the roles, responsibilities, and working relationships of SNAs at each level (capital/province, municipality/district/khan, and commune/Sangkat) in implementing social protection systems/programs.
- Developing, disseminating, and implementing regulatory documents that clearly define the roles, responsibilities, and working relationships of SNAs in implementing social protection systems/programs.
- Providing technical support, capacity development, and financial resources to ensure that SNAs have adequate capability and means to implement social protection systems/programs effectively.
- Regularly monitoring, supervising, and evaluating the performance of SNAs to ensure they fulfill their roles and responsibilities in implementing social protection systems/programs in accordance with established principles, procedures, and guidelines, with effectiveness and accountability.

Responsible institutions: Ministry of Interior, NCDDs and National Social Protection Council

Participating institutions: Relevant ministries, SNA and Development Partner

Table of Indicators and Targets for Priority Action 5.4.3

No.	Indicators	Target					
		Baseline	2026	2027	2028	2029	2030
1	Study Report on the Roles and Responsibilities of SNAs in Implementing the Social Protection System		study	adopted			
2	Regulatory Framework on Defining the Roles, Responsibilities, and Working Relationships of Sub-national Administrations in Implementing the Social Protection System			adopted			

Chapter 3

Management and Implementation of IP5-II

1. Framework for Management and Implementation

The management and implementation of IP5-II are under the leadership and coordination of the NCDD, with the NCDD Secretariat serving as the executive body.

The implementation of IP5-II shall be carried out through the annual workplan and budget (AWPB) of the NCDD, which is prepared with participation from implementing institutions and relevant stakeholders.

The NCDD Secretariat is responsible for supporting the NCDD in the management, coordination, and regular monitoring of the implementation of IP5-II, including the preparation of the AWPB and reporting on the implementation of IP5-II. The NCDD Secretariat also plays a role in coordinating and providing support to implementing institutions and relevant stakeholders in implementation IP5-II and the AWPB.

The implementing agencies of IP5-II include NCDDS, ministries, institutions, SNAs, civil society organizations, private sector and relevant parties. Each implementing agency must prepare its annual workplan and budget on the implementation of IP5-II based on the expected outputs, priority activities and the results framework of the IP5-II, and related projects and programs. NCDD secretariat shall consolidate and include the AWPB of implementing agencies in the AWPB of NCDD.

Each implementing institution must allocate a budget for the implementation of its AWPB using state budget resources and any additional support that may be provided by development partners and civil society organizations for specific activities related to the responsibilities assigned to the implementing institution under IP5-II. Therefore, the NCDD Secretariat, ministries, institutions, and SNAs must integrate the activities under IP5-II for which they are responsible into their strategic budget plans and annual budget proposals.

The AWPB of each implementing institution must be prepared based on the institution's annual budget plan and resources that may be supported by development partners, with clear and detailed specifications of expected results, priority activities, indicators and targets, expenditure plans, and timelines.

The NCDD Secretariat shall mobilize resources from development partners, civil society organizations, the private sector, and other stakeholders to support the implementation of priority activities under IP5-II. These resources shall be used to support selected priority activities, including:

- Technical assistance to support the NCDD Secretariat and implementing institutions
- Capacity development activities
- Development of policies, legal instruments, and technical guidelines related to the functions of SNAs
- Monitoring, evaluation and surveys related to the implementation of IP5-II
- Support for investment projects in local infrastructure and social services
- Implementation of activities by non-governmental organizations (e.g., associations of sub-national councils...)
- Other priority activities

The NCDD Secretariat shall use these resources in accordance with memorandum of understanding or agreements between the NCDD Secretariat and the respective development partners.

Projects/programs financed by development partners include:

- Projects under IP5-II, such as those providing financial support for the expected outputs and priority activities defined in IP5-II; or
- Separate/ Standalone projects or programs that provide financial support for other expected outputs and specific activities not under the IP5-II, but whose expected results and priority activities contribute to achieving the outcomes and objectives of IP5-II.

2. Monitoring and Evaluation of IP5-II

The NCDD is responsible for monitoring and evaluating the results of IP5-II in relation to the results framework of IP5-II as well as the results related to the capacity, effectiveness, efficiency, and accountability of SNAs and their impact on citizen welfare.

2.1. Monitoring and Reporting of IP5-II

To provide a basis for measuring progress of IP5-II, the implementation of the AWPB must be regularly monitored and reported. Implementing institutions at both the national and sub-national levels are responsible for routinely monitoring, reviewing, and reporting on the status of AWPB implementation to the NCDD Secretariat through the AWPB data system and other mechanisms. This enables the NCDD Secretariat to consolidate and prepare reports for submission to the NCDD.

The NCDD Secretariat shall convene regular meetings with implementing institutions to review progress and challenges in the annual implementation of the AWPB and shall also organize meetings with development partners to provide updates and discuss solutions to challenges encountered during the annual implementation of the AWPB.

The NCDD shall prepare a report on the implementation of the NP2 for submission to the Royal Government at least every six months.

At the conclusion of IP5-II, the NCDD Secretariat shall prepare a report on the implementation of IP5-II for submission to the NCDD and disseminate the report widely through various channels, such as the NCDD website, social media platforms, and other appropriate means.

2.2. Evaluations of IP5-II

In addition, to ensure that the monitoring and evaluation of IP5-II are comprehensive, the NCDD Secretariat shall coordinate and collaborate with relevant institutions in preparing and conducting additional surveys, evaluations, and research studies. These may include annual evaluations, the final evaluation of IP5-II, the final evaluation of NP-2, and impact assessments such as governance surveys, assessments of SNA's capacity, policy evaluations, as well as other evaluative and research studies. Furthermore, reports from surveys, evaluations, studies, and research must be prepared and disseminated widely in accordance with the NCDD's information dissemination policies and regulatory instruments.

A. Annual Evaluation of IP5-II

Based on the implementation agency's report on the AWPB implementation, NCDD shall conduct annual assessments on the progress of the IP5-II implementation against expected outputs and activities, including determined indicators and targets and baseline of the NP2. The implementation of IP5-II, then, will be updated as needed.

B. End Evaluation of NP2

End evaluation of NP2 or IP5-II will be conducted during the 5th year of IP5-II in order to assess the achievements, challenges, and lessons learned from the implementation of NP2 compared to the defined results framework.

C. Impact Evaluations

During the time of IP5-II, several main impact assessments are planned need to be carried out to measure the key outcomes identified in IP5-II includes:

Governance Survey

The governance survey is a monitoring study that tracks changes in several key governance-related indicators—such as service delivery, responsiveness, citizen participation, transparency, and accountability—compared to the governance baseline data established in 2024. According to the plan, this survey will be conducted in 2028.

Capacity Survey

The survey and evaluation of SNA' capacity aim to study and monitor changes in the behaviors of staff and the systems of SNA compared to the capacity baseline data established in 2025. According to the plan, this survey will be conducted in 2029

Policy Evaluation

The NCDD Secretariat, as the executive body of the NCDD, has the role of evaluating various policies—including laws, legal instruments, and procedures—within the framework of D&D reforms. This evaluation serves as a basis for enhancing the effectiveness of policy formulation and implementation, and for ensuring the achievement of the intended objectives and results. The evaluation focuses on several key aspects, such as the policy formulation process, the outcomes of policy formulation, the quality of the policies issued, policy implementation, and policy effectiveness. Policy evaluations shall be conducted regularly on an annual basis.

D. Evaluation Studies and Research

To enhance understanding of the progress and impacts of NP-2, several additional evaluative and research-oriented studies must be initiated and carried out beyond the evaluations outlined above. The NCDD Secretariat shall develop the technical capacity of its professional staff in policy analysis, study design, and research methodologies, and shall coordinate and conduct studies and research either directly or with external technical assistance, depending on the objectives, scope, and level of expertise required for each task.

2.3. Monitoring and Evaluation Plan and Budget

At the beginning of the implementation of IP5-II, the NCDD Secretariat shall prepare and approve the five-year and annual Monitoring and Evaluation (M&E) Action Plan for IP5-II. This plan shall specify the activities, timelines, and budget required for carrying out each monitoring and evaluation task, including the review, revision, and preparation of NCDD's M&E manuals and guidelines; the steps, methodologies, and tools for monitoring and evaluation; the responsible and participating institutions; as well as the capacity-building needs or the recruitment of specialized personnel required for monitoring and evaluation.

3. Risk Management

The expected results of IP5-II are interconnected and mutually dependent, and must be implemented by ministries, institutions, and SNAs with the participation of civil society organizations, the private sector, and other relevant stakeholders, each of whom has distinct roles, duties, and responsibilities. To ensure the achievement of these expected results, IP5-II identifies several key risks and corresponding mitigation measures, which are described by component in the table below

Table on Risk Management

No.	Risks	Impact	Likelihood	Mitigation Measures
Component 1: Leadership and Coordination of Reform				
1.	Continued armed conflict initiated by the Thai side along the Cambodia–Thailand border, which negatively affects the implementation of reform policies in those areas, particularly the delivery of public services and local development for citizens.	High	Medium	<ul style="list-style-type: none"> – Review and adjust the annual budget for the implementation of the IP5-II of SNAs along the border to support the refugees – Review and adjust the budgets of SNA affected by the war, focusing on service delivery, local development, and emergency relief work to support refugees. – Mobilize resources from development partners, civil society organizations, and philanthropists to support emergency relief efforts
2.	The global economic crisis caused by war and fiscal policies has led to a decline in Cambodia’s economic growth and, as a result, a shortage of financial resources for implementing reform activities	High	Low	<ul style="list-style-type: none"> – Review and adjust the annual budget for implementation IP5-II focusing on the most important and urgent activities – Suspend or postpone implementation of activities as necessary.
3.	Budget resources are not provided enough to implement core reform activities.	High	Low	<ul style="list-style-type: none"> – NCDD Secretariat works closely with the Ministry of Economy and Finance to monitor and support ministries, institutions, and SNA in preparing and implementing the AWPB of respective implementing agencies. – Continue to mobilize resources from development partners to support tasks or projects that have difficulty using state funds.
4.	Poor and close coordination and collaboration of governance reform programs and sectoral reforms lead to ineffective implementation of D&D policies.	High	Low	<ul style="list-style-type: none"> – Strengthen coordination and cooperation between governance reform programs and sectoral reforms by strengthening rotating meetings between the secretariats of various reform programs. – Strengthen joint monitoring at the field level to review progress and actual challenges in implementing policies and regulations that have been issued.
Component 2: SNA Structures and Management Systems				
1.	If capital, provincial, municipal, and district councils do not have full authority and autonomy to carry out their roles and responsibilities, this will reduce the effectiveness and transparency of democratic governance systems, as well as diminish the efficiency of service delivery, local development, and overall performance of SNAs	Medium	High	<ul style="list-style-type: none"> – Monitor and strengthen the implementation of legal instruments related to the roles, responsibilities, working relationships, and accountability of SNAs. – Organize refresher training sessions on the legal instruments related to the roles, responsibilities, working relationships, and accountability of SNAs.

No.	Risks	Impact	Likelihood	Mitigation Measures
				<ul style="list-style-type: none"> – Prepare and define a clear budget package for the councils within the budget of SNAs.
2.	The failure of digital strategies due to unclear administrative procedures and lack of resources and appropriately qualified staff at SNA.	Medium	Medium	<ul style="list-style-type: none"> – Review and revise administrative procedures of SNA to make them clearer – Organize systematic training for sub-national administration officials and incorporate knowledge about information technology and digital governance into the initial training for new employees. – Review and determine budgets of SNA to improve equipment and infrastructure of information systems at SNA.
3.	The mechanisms and systems for inspection and auditing of SNA are not systematically established and implemented, leading to reduced efficiency, quality and transparency in the performance of work, service provision, and local development of SNA	Medium	Medium	<ul style="list-style-type: none"> – NCDD leads, coordinates, and discusses appropriate options for the development and implementation of inspection and audit mechanisms and systems for SNA.
Component 3: Human Resource Management and Development				
1.	The unresolved shortage of staff in municipal and district administrations for carrying out functions transferred from the national level leads to the perception that establishing municipalities and districts as local administration under the principle of unified administration is ineffective and lacks significance.	High	High	<ul style="list-style-type: none"> – The NCDD and relevant ministries and institutions must focus on and prioritize addressing the problem of staff and resource shortages at the municipal and District levels as soon as possible.
2.	The authority of SNAs to manage their personnel cannot be exercised in accordance with the principles and legal instruments that have been established	Medium	Medium	<ul style="list-style-type: none"> – Strengthen the implementation of established policies and regulations. – Strengthening monitoring of SNA' practices in recruiting and training staff
3.	The leaders of SNAs does not fully prioritize increasing the number of women in managerial positions and ensuring gender balance within the SNA's workforce.	High	Medium	<ul style="list-style-type: none"> – Organize separate training courses for female staff and vulnerable groups with potential for filling management positions – Strengthening the selection criteria and appoint to fill vacant and new positions, giving priority to women and vulnerable groups – Integrate gender equality, inclusiveness, and social equity into leadership training courses – Strengthen the implementation of the strategic plan on increasing the number of women in management positions in SNA (2024-2028)

No.	Risks	Impact	Likelihood	Mitigation Measures
4.	The lack of capacity development and support from ministries, institutions, and specialized departments for sectoral staff transferred to municipal and district administrations results in ineffective implementation of the transferred functions.	High	Medium	<ul style="list-style-type: none"> – Ministries and institutions that have transferred functions to municipal and district administrations shall instruct their respective provincial departments and specialized units to strengthen monitoring, capacity development, and support for sectoral staff within municipal and district administrations. – Ministries, institutions, and their respective provincial departments and specialized units shall strengthen capacity development and support municipal and district administrations in implementing the transferred functions. – Review and integrate the activities and budgets of relevant provincial departments and specialized units related to capacity development and support for municipal and district administrations into the Capital and Provincial AWPB.
5.	SNA do not pay enough attention to and prioritize the regular development of their staff capabilities.	High	Low	<ul style="list-style-type: none"> – Strengthen and organize capacity development teams in each Capital and Province to develop the capacity of officials in the Capital, Provinces, cities, Districts, Khans, and Communes/ Sangkats. – Strengthen the preparation and implementation of capacity development intervention plans at the Capital, Province, municipality, District, and Khan levels. – Instruct SNA to allocate specific and appropriate budgets to develop the capabilities of their staff. – Regularly monitor and evaluate the implementation of capacity development activities of SNA.
6.	NASLA does not have sufficient expertise to organize and implement training programs on technical skills in various sectors that have been transferred to municipal and District administrations.	High	Medium	<ul style="list-style-type: none"> – Strengthen collaboration with ministries, relevant institutions, and development partners in organizing and implementing training courses for municipality and District administrations. – Strengthen the capacity of teachers of NASLA in various fields of expertise
Component 4: Fiscal Decentralization and SNA's Planning and Budgeting System				
1.	Municipal, District, and Khan administrations are not provided with sufficient funds to effectively implement new functions transferred from ministries and institutions.	High	Medium	<ul style="list-style-type: none"> – NCDD Secretariat and the Ministry of Interior must continue to work with the Ministry of Economy and Finance to jointly understand the negative impacts of this risk.

No.	Risks	Impact	Likelihood	Mitigation Measures
				<ul style="list-style-type: none"> – Clearly define obligatory and permissive functions among the functions already transferred to municipal and District administrations.
2.	Creating many different mechanisms and systems to transfer resources to SNA, which causes significant additional costs and is inconsistent with the principle of linking budgets to policies.	High	High	<ul style="list-style-type: none"> – Minimizing the need for mechanisms for tasks related to resource transfers – Ensure that the overall objective of establishing an inter-governmental resource transfer system is clearly defined and simple.
3.	The preparation and issuance of regulatory documents related to public finance reform are not consistent with D&D reforms and other reform programs.	High	Medium	<ul style="list-style-type: none"> – Strengthen coordination and regular collaboration between governance reform programs and sectoral reforms through the secretariat of each reform program – Review and prioritize challenges to discuss and resolve at the NCDD meeting.
Component 5: Public Service Delivery and Local Development				
1.	Municipal, district, and khan administrations do not have sufficient financial resources to effectively implement the newly transferred functions from ministries and institutions	High	Medium	<ul style="list-style-type: none"> – NCDDS, the Ministry of Interior, the Ministry of Economy and Finance, and other relevant ministries and institutions to address the lack of funds to implement various sectoral functions (except for the education and health sectors) – Clearly define obligatory and permissive functions among the functions already transferred to municipal and District administrations.
2.	The Capital, Province, and Municipal, District, and Khan administrations lack technical officers to support Municipalities, Districts, Khans, and Communes/ Sangkats in preparing and implementing projects efficiently and qualitatively, including mainstreaming climate change into those projects.	Medium	Medium	<ul style="list-style-type: none"> – NCDD Secretariat must cooperate with the Ministry of Interior and the Ministry of Civil Service to quickly resolve the problem of lack of technical officers. – NCDDS Secretariat shall organize and implements training programs for technical officials at the Capital and Provincial levels on a regular basis, in close cooperation with relevant ministries and institutions. – Study the possibility of using the private sector to study and prepare municipality, District, and CS fund projects to submit to the NCDD for review and approval.
3.	Lack of regular supervision and support to municipality, District, Khan, and Commune/ Sangkat administrations in preparing and implementing municipal and District fund	High	High	<ul style="list-style-type: none"> – The Ministry of Interior must strengthen monitoring, supervision, and provide regular support to the municipality administration. District and Commune Neighborhood in preparation and implement their plans

No.	Risks	Impact	Likelihood	Mitigation Measures
	projects leads to reduced efficiency, quality, and transparency in project implementation.			<ul style="list-style-type: none"> – Strengthen regular post-implementation project reviews and address emerging challenges to enhance project efficiency and quality.

Chapter 4 Budget of IP5-II

1. Cost Estimate for the IP5-II

The total cost estimate for IP5-II is calculated based on task and priority activities identified under each expected outputs of IP5-II. These cost estimates shall be reviewed and updated annually to serve as the basis for preparing the AWPB for the implementation of IP5-II.

The cost estimates for IP5-II include expenditures for:

- Implementing activities such as policy and regulatory development, capacity building, organization of meetings and dissemination workshops, evaluations and surveys, development and implementation of various structures and systems, and monitoring and evaluation, among others.
- The transfer of financial resources from the national level, including capital and provincial budgets, municipal and district funds, commune and sangkat funds, conditional grants, subsidy budget, and shared tax revenues for SNAss.

The total cost estimate of IP5-II is 43,600,996 million Riels, equivalent to 10,900 million US dollars, for a period of 5 years from 2026 to 2030 in which the financial resources transferred from the national level to sub-national administrations amounted to more than 97 %, as shown by year for each component in the table below. On average, the implementation of the IP5-II requires a budget of 8,720,199 million Riels, equivalent to 2,180 million US dollars per year.

Table on Cost Estimate by Component and by Year (in Million Riels)

No.	Components	Budget Estimate by Year					Total
		2026	2027	2028	2029	2030	
1	Leadership and coordination of reform	118,652	122,038	123,188	122,538	119,032	605,448
2	SNA structures and systems	3,755	2,504	2,633	3,029	3,288	15,208
3	Human resource management and development	4,930	4,510	4,270	4,320	4,770	22,800
4	Fiscal decentralization and SNA planning and budgeting systems	7,691,752	8,109,784	8,558,105	9,037,705	9,551,810	42,949,156
5	Public service delivery and local development	1,664	2,120	1,720	1,540	1,340	8,384
Total		7,820,753	8,240,956	8,689,916	9,169,132	9,680,240	43,600,996

2. Financing for the IP5-II

The greater part of the total estimated budget for the implementation of the IP5-II, as shown in the section above, is supported by the Royal Government, which has been allocated to the implementing agencies including ministries/ institutions, and sub-national administrations for implementing the priority activities defined in the IP5-II, in accordance with their roles and responsibilities.

The NCDD Secretariat shall coordinate and closely cooperate with the Ministry of Economy and Finance in guiding and supporting the implementing agencies to allocate funds for the implementation of the activities of the IP5-II, and include them in the budget strategic plan and annual budget plan of each implementing agency.

The Ministry of Economy and Finance must ensure that the budget allocated by each ministry, institutions and SNA for the implementation of the IP5-II activities is supported and implemented effectively.

In addition to the budget supported by the Royal Government, the NCDD Secretariat will mobilize resources from development partners, civil society organizations, and the private sector to implement IP5-II. Currently, 12 major development partners have provided and planned funds to support the implementation of the IP5-II through projects and programs with a total estimated budget of 667,014 million Riels (US\$ 166.75 million), but these funds have not been included in the total estimated budget of the IP5-II because some projects and programs do not yet have clear information about their budgets .

Major projects and programs support the IP5-II include:

- The Local Governments and Climate Change Project Phase 3, funded by the Green Climate Fund (GCF).
- The Project on Improvement of Service Delivery at the sub-national level, funded by GIZ/ISD-II
- Project to Promote Social Accountability, supported by Trust Fund through the World Bank
- Local Climate Change Adaptation Project, supported UNCDF
- UNICEF-funded project to promote social services
- Nutrition Project in Cambodia supported by WB funds
- Climate- Resilient Local Economic Development Project, supported by World Bank
- Climate-Resilient Irrigation and Agriculture Development Project, supported by IFAD
- Developing a climate-resilient smallholder economy Funded by ADB
- Project to strengthen empower women for a climate-resilient society, supported by UNEP, etc.

Table on Budget Estimate of the Programs and Projects by Year (in Million Riel)

No.	Names of Programs and Projects	Budget Estimate by Year					
		2026	2027	2028	2029	2030	Total
1	Climate change adaptation at the local level	534	0	0	0	0	534
2	Local governments and climate change	5,597	8,113	9,597	8,110	7,718	39,134
3	Sustainable Climate-Resilient Local Economic Development	0	64,000	64,000	64,000	64,000	256,000
4	Social accountability-supply side	3,633	0	0	0	0	3,633
5	Social accountability-demand side	1,920	6,400	6,400	6,400	6,400	27,520
6	Improvement of social services	4,399	0	0	0	0	4,399
7	Construction of the National School of Local Administration	7,509	0	0	0	0	7,509
8	Nutrition in Cambodia	12,362	0	0	0	0	12,362
9	Empowerment of women for a climate-resilient society	192	0	0	0	0	192
10	Development of climate-resilient smallholder economy	0	46,667	46,667	46,667	46,667	186,667
11	Development of climate resilient irrigation and agriculture	8,602	21,815	22,384	24,044	34,218	111,064
12	Improvement of SNA service delivery to citizens	18,000	0	0	0	0	18,000
	Total	62,748	146,995	149,047	149,221	159,003	667,014

Chapter 5

Conclusion

IP5-II serves as the key medium-term roadmap guiding the preparation and implementation of the NP2, ensuring the achievement of its defined goals and objectives. It aims to realize the shared vision in which citizens benefit from public services and local development delivered by SNAs in an inclusive and socially equitable manner, thereby contributing to national socio-economic development and Cambodia's aspiration to become an upper-middle-income country by 2030.

To ensure the achievement of these goals and objectives, IP5-II identifies several strategic expected outputs that are considered critical determinants of the success of the NP2, including:

1. Municipal and district administrations have sufficient and capable personnel to perform their roles and responsibilities, along with adequate financial resources to implement the sectoral functions transferred from the national level.
2. Provincial administrations evolve into regional administrations, and the capital administration evolves into metropolitan administration.
3. Specific national-level institutions have improved roles and responsibilities for effectively coordinating and supporting SNAs.
4. SNAs have clear land-use plans, master plans, and land-use zoning plans to support sustainable urban planning.
5. SNAs have full authority to manage their personnel effectively and accountably, based on clear plans, and the number and gender balance of women staff within SNAs are increased.
6. SNAs, citizens, and stakeholders have strengthened capacity and broad awareness of the NP2.
7. Tax and non-tax revenues for SNAs are increased.
8. Administrative service delivery through the One-Window Service mechanism is modernized to ensure more efficient public service delivery.
9. Local economic development is enhanced to provide more effective, transparent, accountable, inclusive, and socially equitable benefits to citizens, with strong emphasis on strengthening resilience to climate change, disaster risks, and both communicable and non-communicable diseases.

In practice, achieving these strategic expected results requires IP5-II to be implemented in close cooperation and coordination with the Public Financial Management Reform Program, the Public Administration Reform Program, the Legal Reform Program, the Justice System Reform Program, and various sectoral reform programs. It also requires strengthened partnerships with development partners, civil society organizations, and the private sector to build a modern, autonomous, transparent, accountable, effective, efficient and responsive sub-national governance system.

Lessons learned from the implementation of the NP1 clearly demonstrate that decentralization and deconcentration reforms must be implemented gradually and cautiously, through dialogue, consultation, and consensus-building, with clarity and strong commitment from the leadership of ministries, institutions, and SNAs. These reforms must also be carried out in close collaboration with other governance reform programs. For this reason, IP5-II will continue to prioritize strengthening leadership and coordination of decentralization and deconcentration reforms in alignment with other reform programs to ensure the achievement of the expected results defined under IP5-II—particularly addressing human resource challenges, capacity development, and ensuring adequate financial resources for municipal and district administrations to effectively implement the functions transferred from the national level with efficiency, transparency, and accountability.

Furthermore, IP5-II defines expected results with clear indicators, targets and responsible institutions,. Therefore, all responsible institutions must have sufficient financial resources to

implement the priority activities assigned to them under IP5-II in order to achieve the expected results and targets.

The NCDD Secretariat firmly believes that IP5-II will generate significant additional achievements for democratic local development reform, contributing to the realization of the vision of the NP2: **“Citizens benefit from public services and local development delivered by SNAs in an inclusive and socially equitable manner.”**



National Program Phase 2

Citizens receive public services and benefits from local development provided by SNAs with socially inclusive and equitable manner.

Component 1



Leadership and coordination of reform

Component 2



Structures and systems of SNA

Component 3



HR management and development

Component 4



Fiscal decentralization and SNA planning and budgeting systems

Component 5



Public service delivery and local development



Promotion of gender equality and social equity and inclusiveness



Management of climate change vulnerability reduction, disaster risk reduction and serious infectious diseases

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