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Abbreviations

ADB	-	Asian Development Bank (or "the Bank")
AusAID	-	Australian Agency for International Development
CARERE	-	Cambodian Rehabilitation and Regeneration
CCC	-	Cooperation Committee for Cambodia
CDC	-	Council for the Development of Cambodia
CIDSE	-	Comité International pour le Développement et la Solidarité
CMAC	-	Cambodian Mine Action Centre
CNSN	-	Cambodian NGO Support Network
COM	-	Council of Ministers
CRD	-	Cambodian Researchers for Development
FPK	-	Federation of Ponleu Khmer
MFA	-	Ministry of Foreign Affairs
MRD	-	Ministry of Rural Development
NGO	-	nongovernment organization
UNDP	-	United Nations Development Programme
UN	-	United Nations
VDC	-	village development committee
WID	-	women in development

ADB

A Study of NGOs

Cambodia

1999

INTRODUCTION

The Country

Through to the 1998 elections, the Kingdom of Cambodia was governed by a coalition of the Royalist Party, the former communist party (CPP), and two smaller parties. The Royalist Party, despite winning the United Nations supervised elections in 1993, agreed to a power share with its former adversary, the CPP. Two co-Prime Ministers head the Royal Government of Cambodia and most cabinet posts are proportionally divided among the coalition partners. However, when the CPP managed to retain its power base, tensions between the coalition partners were engendered, and the power share became administratively ineffective. The national elections of 1998 changed the situation, establishing a single ruling government.

Cambodia has one of the smallest populations in the region, at approximately 10 million. The two decades of conflict, which caused the death of perhaps 2 million persons (a quarter of the population at that time), have greatly affected the composition of the population. Well over half the adults are women and widows, heading close to one-third of all households. About 85 percent of the people live in rural areas. Phnom Penh, the capital, is the only large city, with about 1 million inhabitants. Battambang, the second largest city, in the far northwest, has about 150,000 inhabitants.

After the general election in 1993, the Government embarked on an ambitious program of economic and public sector reforms. Economic growth has been about 6 percent, but has been largely consumption-driven. Most of the investments and economic growth have been concentrated on the capital and service sector, with only limited development occurring in rural areas or the manufacturing sector. The economy as a whole has been largely unaffected by recent economic developments, with agriculture contributing about half of the gross domestic product and employing 80 percent of the work force.

Conflicts and insufficient development have resulted in a weak administrative system and a lack of institutions as vehicles of development. Educational infrastructure is also weak, resulting in a lack of skilled and efficient staff on all levels of the administration and civil society. This affects NGOs and other agents of change as well.

NGOs

More than 250 local NGOs and 200 international NGOs currently operate in Cambodia. In 1994, NGOs disbursed \$74 million and in 1995 a similar amount. For the 1996-2000 period, it is estimated that \$375 million will be spent on projects implemented by NGOs, 20 percent of this by NGOs themselves. The NGO contribution to the rehabilitation and development of Cambodia, however, should not be measured only in financial terms. NGOs also contribute significantly to capacity building and institutional development through their role as allocation agencies. NGO knowledge of the needs of communities and people is increasingly acknowledged by the Government and bilateral/multilateral partners. Many local development-oriented NGOs have profound knowledge of their communities and work in close cooperation with international organizations.

The overall effectiveness of NGOs in Cambodia, however, is limited by a number of factors:

- failure to reach the most needy
- lack of financial independence
- lack of project coherence
- lack of community participation in the decision-making process (especially among local NGOs)
- lack of a clear legal framework
- excessive number of small projects with no coordinating body
- insufficient professionalism

Except for the violent period of the war and the Pol Pot regime, international NGOs have played a role in Cambodia for decades. After the defeat of Pol Pot by the Vietnamese army in 1979, a small number of international NGOs resumed their activities in the country. They did so in spite of inadequate infrastructure and the temporary regime installed by the Vietnamese. In the early 1990s, the number of international NGOs in Cambodia increased dramatically, especially after the 1993 election, to a total of more than 200 agencies. Currently there is a slight decline, but most established international NGOs have taken root in the country and plan to continue their activities. A number of international NGOs have made plans to localize or nationalize their staff, but only a handful have achieved significant results. A crucial limitation is the lack of trained local professionals to take over the operations.

Local NGOs emerged only after 1990, during the more liberal administration of the State of Cambodia Government (the predecessor of the current Government). Local NGOs numbered less than a handful until after the election and the installation of the new Government. Present estimates range from 250 to over 300 local NGOs, including very small provincial groups.

International NGOs are spread throughout the country, although the majority have offices in Phnom Penh. Battambang is a second concentration area for both international and local NGOs.

Bilateral and multilateral organizations and funding agencies, such as the Asian Development Bank (ADB or "the Bank"), World Bank, Australian Agency for International Development (AusAID), and United States Agency for International Development, are increasingly interested in cooperating with NGOs. However, cooperation is mostly limited to consultancies and project-specific support. Cooperation between United Nations (UN) agencies and international NGOs is well-established, and UN agencies frequently commission international NGOs to serve as executing agencies for their activities. Although UN agencies have achieved some direct cooperation with local NGOs, they remain the major partner and decision making is one-sided.

Most NGOs do not have clear legal status, although this does not hamper their activities. The Government is in the process of registering all NGOs with the drafting of a new law. The law is considered liberal and is not opposed by the NGO community. However, some NGOs fear that the Ministry of Interior (MOI), which has sole responsibility for registering NGOs, will enact rules contrary to the liberal spirit of the law and thus cause problems in the future.

THE NGO COMMUNITY

Overview

The NGO community in Cambodia is unique. The country's resources, human as well as physical, were severely devastated during the Pol Pot regime. During the 1980s, and the embargo by most Western governments, who objected to the Vietnamese military takeover, and which prevented their aid agencies from establishing themselves, it was left to the international NGOs to fill the vacuum, by assisting the Government in development efforts. When the embargo was lifted and the bilateral agencies returned to Cambodia, the unique roles assumed by NGOs during the embargo had to be adjusted. Some degree of tension during this readjustment period was inevitable due to misunderstandings of roles. Better coordination between NGOs and bilateral/multilateral agencies is considered necessary to achieve an optimal use of development aid for the country.

Several international NGOs are in the process of localizing or nationalizing their activities. But the gap between theory and practice is wide and thus far no international NGO has been able to relinquish control to local counterparts, and international NGOs are hesitant to hand over accountability and responsibility until they are assured that the local agency is sustainable. This is especially difficult due to the lack of national skilled and professional managers. Another factor is the lack of a tradition of volunteerism or of caring for those who not belong to one's patronage. Expatriate NGO workers who feel committed to a cause do not always understand their counterparts' seeming lack of commitment. These aspects of development and the indigenous consequences need more attention and study.

Origin

NGO activities in the country have been shaped by the Cambodian people's perceptions of development and former experiences with development work. These perceptions were distorted by the former State of Cambodia Government's policy of distributing humanitarian aid equally to all citizens regardless of need. This legacy of the former regime hampers effective and equitable humanitarian aid distribution. Another factor that affects the work of NGOs and other development agencies is the traditional patron/client relationship, in which patrons use agencies and resources to deliver benefits to clients for personal reasons.

As the political, social, and economic environment in Cambodia evolved from that of a planned economy and a socialist structure, to that of a liberal market system and a democratically elected government, many changes occurred in the identity, strategy, and institutional structures of the NGOs operating in the country. The NGO experience in Cambodia is unique because for more than a decade (1979-1989) they were allowed to establish themselves without significant interference by the Government.

The history of NGOs in Cambodia may be divided into six periods.

- **Independence, 1954-1970.** Only a few NGOs operated in the country and most focused on religious activities.
- **War, 1970-1975.** Bilateral assistance came to an end. International NGO assistance increased and focused on the provision of emergency relief, especially targeting the victims of conflict.
- **Khmer Rouge, 1975-1979.** All international humanitarian aid was prohibited. Cambodia was taken back to year zero of development.
- **Emergency aid, 1979-1982.** In small numbers, NGOs reestablished their presence and implemented emergency relief programs in the country. Others continued to work with the refugees at the Thai borders. Several consortia, formed to represent external funding agencies, facilitated the delivery of humanitarian assistance. Due to the aid embargo, aid could not be provided directly through bilateral/multilaterals except through the United Nations Children's Fund (UNICEF) and a few other UN agencies. The isolation of Cambodia encouraged cooperation and sharing of limited information and resources among the few NGOs and UN agencies able to work there. The most difficult aspect of the aid operation was the monitoring of aid distribution. The Government did not permit agencies to execute operations or monitor distribution. The total NGO effort during this period was aimed at relief.
- **Reconstruction, 1982-1990.** NGOs working both in the country and along the Thai border suffered from a highly polarized situation. The socialistic Government put in place by the Vietnamese was not recognized by Western countries, and NGOs operating with the Government risked being accused of siding with a repressive regime. Fewer than 15 international NGOs and UN agencies were in Cambodia during this period, and they encountered many difficulties in achieving their objectives due to government restrictions.
- **Liberalization, 1991-present.** With the arrival of UN personnel to supervise the 1993 election, normalization of relations between the country and the

international community was initiated. During the two years before the elections, relief assistance was still limited to a few NGOs and UN agencies. In the first year of this period the first local NGO, Khemara, emerged. It was a sign of a changing society, where Cambodian people could participate in the development of their own country. Following the election, more than 250 local NGOs were formed, and more than 170 new international NGOs plus the full array of UN agencies and bilateral/multilateral agencies arrived in Cambodia.

Significance of International NGOs

International NGOs have contributed substantially to the rehabilitation and reconstruction of Cambodia through capacity-building and increasing the human resources within and outside the government structure. Currently more than 200 international NGOs are known to be operating in Cambodia, and an unknown number operate without the official knowledge of the Government.

The majority of international NGOs are small, with fewer than 10 national staff and a few expatriate personnel. International NGOs often operate in only one province or area. Although most agencies express adherence to integrated programming, programs generally target a single sector of society, such as health. It is estimated that fewer than 20 percent of international NGOs operate an integrated program. The majority of this 20 percent employ a relatively large number of national staff and operate in more than one province.

The following is a sampling of information about the personnel, operating area, organizational aspects, and target group of larger international NGOs:

- **CARE International:** 125 staff, 1997 budget \$7.4 million, operating in 3 provinces, established in 1973 (except 1975-1990).
- **Catholic Relief Services:** 60 staff, 1997 budget \$1.4 million, operating in 3 provinces, established in 1973 (except 1975-1990).
- **Comité International pour le Développement et la Solidarite (CIDSE):** 40 staff, 1997 budget \$1.5 million, operating in 4 provinces, established in 1980.
- **Church World Services:** 71 staff, 1997 budget \$2.7 million, operating in 4 provinces, established in 1979.
- **PADEK:** 80 staff, 1997 budget \$ 1.4 million, operating in 4 provinces, established in 1992.

- **Redd Barna:** 69 staff, 1997 budget \$1.9 million, operating in 3 provinces, established in 1988.
- **World Vision International:** 252 staff, 1997 budget \$4.8 million, operating in 5 provinces, established in 1970 (except 1975-1979).

Significance of Local NGOs

Local NGOs increasingly are contributing to the rehabilitation and reconstruction of Cambodia by building capacity and increasing the human resources within and outside the government structure. According to the Cooperation Committee for Cambodia (CCC) *Directory of Cambodian NGOs*, 231 local NGOs were working in the country in 1996. Estimates, however, range up to 300, if provincial, district, and grassroots groups are included. Some confusion may be caused by counting village development committees (VDCs), which sometimes are regarded as local NGOs.

No comprehensive information is available concerning the disbursement of funds by local NGOs, but it may be assumed that a majority of these funds are part of international NGO disbursements.

The great majority of local NGOs are small, sometimes even one-person initiatives. Only a very few could be considered large. Most local NGOs are sectoral and/or operate in one area. Because their agendas are funding agency-driven, most work in the same prominent sectors as the international NGOs. Often the international NGOs treat local NGOs as branches of their organizations. However, there is a tendency among local NGOs to become less dependent on one single funding agency and to diversify their activities. The importance of local NGOs in development is increasing gradually but still is hampered severely by a lack of skills.

Although the term "local NGO" is defined differently in various contexts, in Cambodia two classifications of NGOs are relevant: "independent" and "adopted."

Independent local NGOs are organizations registered as local. They were initiated in Cambodia and are independent of other agencies. They have no base or headquarters abroad. Decision making on programming, staffing, and finances are undertaken by local management, not by funding or supervising agencies.

Adopted local NGOs are organizations developed by or derived from international NGOs. Because they still enjoy protection and support from a larger organization, they cannot be regarded as fully independent.

Opinions vary as to which of these kinds of agencies is more effective. Some hold the view that adopted NGOs are more inclined to follow without much question Western models of democracy, while independent NGOs are more reflective of Cambodian culture and society, and thus inclined to question Western models. Within both categories are NGOs that implement development activities directly and NGOs that provide such services as training, education, and research. The following are agencies focusing mainly on capacity building and/or research:

- **Cambodian Development Resource Institute (CDRI):** human resource skill training, Masters program in economics, research program; formed in 1990; expatriate Director.
- **Cambodian Researchers for Development (CRD):** institute for social research and training, with CRD/School for Social Research, Cambodian Director; research section (expatriate Director); formed in 1994.
- **Federation of Ponleu Khmer (FPK):** Training and Support Center for its 100 member NGOs; Cambodian Director; supported by Evangelische Zentralstelle für Entwicklungshilfe; established in 1993.
- **Khmer Institute for Democracy (KID):** human rights advocacy, research; Cambodian Director; formed in 1992.
- **VBNK:** management institute, the independent successor of the Management and Organizational Development, work group; training in office and project management; expatriate Interim Director; formed in 1997.
- **Silaka, formerly CANDO:** expatriate Khmer staff; training for office, project, and management skills; supported by the United Nations Development Programme (UNDP), formed in 1996.
- **Centre for Social Development:** advocacy rule of law; Cambodian Director; supported by The Asia Foundation; formed in 1995.
- **S.S. Troung:** capacity building local NGOs; Cambodian management; formed in late 1996.

Seven agencies can be regarded as prominent independent local NGOs implementing development activities in a diversity of sectors and target groups:

- **ADHOC** (human rights advocacy)
- **Khemara** (women/community development)
- **Khmer Women's Voice Center (KWVC)** (women/education)

- **Buddhism for Development**, Battambang (rural development)
- **Krom Akphiwat Phum**, Battambang (community development)
- **Women's Media Centre of Cambodia** (media and gender)
- **Cambodian Disabled People Organization** (disabled people).

Major "adopted" local NGOs are:

- **ACLEDA** (credit funds, adopted by the International Labour Organisation, ILO)
- **Silaka** (capacity building, adopted by the UNDP)
- **Urban Sector Group** (urban development, adopted by PADEK)
- **Samakee** (rural development, adopted by Partage)
- **Cambodian Health-Education Development** (health care, adopted by the International Red Cross)

Background information about many NGOs is summarized in the various NGO directories and in the database of the Council for the Development of Cambodia (CDC).

Role of NGOs

During the first three years following the Khmer Rouge regime (1979-1982), international NGOs responded to the emergency situation in unaccustomed ways. They provided material support to meet rehabilitation needs in virtually all sectors of the Cambodian economy and society, especially the health and agriculture sectors. NGOs assisted with physical infrastructure, water supply, agricultural inputs, industrial spare parts, transport equipment, and hospital supplies.

In 1982, the West imposed an aid embargo to force an end to Vietnamese presence in the country. This embargo succeeded, but at significant social cost. In 1986, an NGO Forum was established in Europe to develop strategies for addressing international issues that hindered humanitarian and development efforts. International NGOs became active advocates for change in policy toward Cambodia.

Two years before the signing of the Paris Peace Accords in October 1991, the country began moving toward liberalization. This enhanced the effectiveness of NGO work because NGOs could employ staff in the provinces, train counterparts, and implement projects with less interference from authorities. NGOs began to initiate community development activities at the village level and some bilateral aid sources began to implement programs through international NGOs.

The 1992-1995 period was characterized by large aid infusions. The repatriation of the border refugees and the election process (at a cost of \$1.72 billion) had an enormous

effect on the country and the role of NGOs. Large amounts of funds were channeled through NGOs, and the number of NGOs increased rapidly, with more than 200 formed in the course of a few years. CCC, formed in 1990, provided a forum for NGO information exchange and cooperation. In 1994, the international NGO Forum on Cambodia moved to Phnom Penh to pursue its advocacy agenda from within the country.

A 1992 study, commissioned by four NGO groups, identified four pressing tasks for NGOs:

- implement, facilitate, and encourage sectoral analysis, learning and sharing of information within the NGO community;
- develop and implement an advocacy strategy on development issues to the Cambodian Government and the funding agency community based upon the analysis generated;
- develop the capacity to monitor and critique the process for planning and implementing the large-scale rehabilitation and reconstruction effort; and
- inform and educate the broad funding community and the emerging Government as to the capabilities, roles, programs, accomplishments, and failures of the NGO community

It is considered that these observations and challenges remain as relevant today as they were in 1992.

Today, the full range of bilateral and multilateral and UN agencies have established themselves in the country and international NGOs have returned to their more traditional roles, working at the grass-roots level. A larger number of local NGOs are becoming involved directly in development activities funded by bilateral/multilateral agencies. A remarkable approach is the Cambodian Rehabilitation and Regeneration (CARERE) project, which facilitates the *Seila* program of the Government. Another interesting study, initiated by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and several NGOs, aims to understand the dynamics of development at the grassroots level.

Strengths and Capacities of NGOs

It is widely acknowledged that NGOs make the most significant contributions to development in the difficult and more remote areas and at the grass-roots level. Reaching the people who most need help is one of the strengths of NGOs. However, a lack of coordination is one of the weaknesses.

The strengths of NGOs are commitment to poverty reduction, promotion of participation, and attention to gender issues and environmental concerns. NGOs are able to find innovative solutions for novel problems, operate in remote and difficult areas, and work under extreme conditions. They can foster involvement of overseas Cambodian communities in local development. What is important is that they respond quickly and with flexibility to emergency and relief situations.

A general weakness of international NGOs is the high mobility of the expatriate staff. This affects the continuity of high professional standards. Another weakness is a gap between theory and practice, between what is aimed at and what is achieved. The poorest are seldom reached, the social dynamics of participation and gender relations may not be properly understood, and local capacity building within the individual agency may be underdeveloped. Notwithstanding these weaknesses, however, NGOs have the capacity to mobilize the population at the grass-roots level and facilitate the development process without causing severe social unrest or obstructing the development process started by others.

Table 1 demonstrates the sectors in which international NGOs are strongest. Main sectors of NGO assistance were rural and community development, including health, education, agriculture, and water and sanitation. Assistance to vulnerable groups, human rights issues, and land mine clearing also score high. Key concepts are awareness building for social mobilization, self-reliance, and empowerment. Local NGOs have not been in the field long enough to identify the sectors in which they feel strongest, but prominent areas certainly include human rights advocacy, awareness of health and sanitation issues (including HIV/AIDS), women's rights, social counseling, and human resource capacity building.

It is estimated that about 80 percent of the value of activities conducted by NGOs are in provincial areas, whereas 90 percent of the total international aid funding is concentrated in Phnom Penh. This confirms the special role of NGOs in rural development. According to CCC, 18 percent of NGO assistance will go to the capital, 30 percent will go to projects covering more than one province, and the balance will go to one province. Major locations of NGO assistance are Battambang, Kampot, Kandal, Kampong Speu, and Pursat provinces, leaving behind the more remote (eastern and southern) or unsecure (northern) provinces.

NGO Coordination

It is recommended that the collective NGO program should be more focused and more process-oriented, as well as better coordinated and evaluated. NGO activities should center more on the enabling of vulnerable groups in rural communities to cope with their problems as well as on promoting agricultural productivity and diversification. Indigenous institutions and social services could be reestablished; this may be best

Table 1: NGO Projects by Sector

Sector	1994		1995		1996-2000
	Agencies	\$ Million	Agencies	\$ Million	\$ Million
Health	71	19.6	64	14.2	100
Education and training	45	7.7	46	10.7	50
Community development	48	9.2	39	6.4	50
Animal husbandry and fisheries	11	6.6	10	4.4	35
Agriculture, forestry, and rural development	27	5.6	21	3.8	30
Water and sanitation	14	4.0	7	1.0	20
Women-focused	15	1.5	12	1.3	7
Child-focused	13	1.1	12	1.4	6
Vulnerable groups and relief	29	6.7	23	4.5	35
Demining (excluding CMAC)	3	1.6	2	1.2	7
Partnership and technical assistance	14	5.6	16	6.2	30
Others	7	0.9	15	3.9	5
Total	297	70.2	267	59.1	375

CMAC = Cambodian Mine Action Centre
Source: CCC NGO Database.

achieved through the cooperation mechanisms currently used by NGOs. Several possible initiatives are shown below.

Cooperation Committee for Cambodia

CCC is perhaps the oldest and most prominent NGO network. Founded in 1990 by a group of NGOs with long histories in Cambodia, CCC plays the important roles of facilitating communication and cooperation among NGOs and their partners in Cambodia, and providing a forum for NGO coordination with government, international agencies, and influential persons.

About one-third of international NGOs are members, including the most prominent agencies. Membership also includes several local NGOs and institutes. From the beginning, CCC has offered its services to facilitate information exchange. It provides a resource center, e-mail service, NGO directories, an annual salary survey, a monthly newsletter, and 264 mailboxes for nonmember local NGOs. The 1997 CCC budget, including the Gender and Development Team project, was \$340,474.

CCC hosts 42 sectoral groups, such as health, education, community development, monitoring and evaluation, and women in development. These bring together NGO staff, international organizations, and government. CCC coordinates the NGO input into the Consultative Group Meeting and meetings of the International Conference on the Reconstruction of Cambodia. In 1994, an NGO Development Analyst position

was created to inform the NGOs and others about current development policy through papers and seminars. Recently an independent three-year Gender and Development Project Team was established with a grant from the Netherlands. The Team, which will facilitate the integration of gender into all phases of development work, will be hosted by CCC.

NGO Forum on Cambodia

The NGO Forum on Cambodia was established in Europe in 1986 to address international political issues that hindered humanitarian and reconstruction efforts. It commissioned the study *Punishing the Poor: The International Isolation of Kampuchea* to document the effects of the international embargo on Cambodia. Campaigns resulting from this study drew attention to the need of the Cambodian people. In 1994 the Forum moved to Phnom Penh. The Forum plays an important role in crucial issues such as land mines, coordination of aid, civil society, and environment. Currently 43 international NGOs, 13 local NGOs, and 3 international organizations are members.

Open Forum of Cambodia

The Open Forum on Cambodia was established to help the Cambodian people access worldwide information systems and facilitate information dissemination. This is accomplished by publishing materials in Khmer language free of charge, organizing study groups, and assisting people to participate in conferences or seminars. The e-mail system of the Open Forum is important. A plan was developed to monitor the 1998 local and national elections by collecting relevant data from media sources and making this information available to the public and interested organizations. In April 1997, *The Mirror*, a weekly overview of the Khmer language print media, was launched by the Open Forum. The Open Forum was created in 1995 and is headed by a Cambodian Director.

MEDICAM

MEDICAM is a network of medically oriented agencies. Created in 1990 as a monthly meeting, it evolved into a more structured form. A Steering Committee guides the network, and a Coordinator is employed to facilitate the activities of the 11 subcommittees, manage the resource center, and maintain contacts with the Government, international agencies, and NGOs. In 1997, 59 local NGOs, 10 international NGOs, and 13 international organizations were listed as participants.

EDUCAM

EDUCAM is a network of groups interested in the education sector to facilitate information exchange and coordination. The Ministry of Education, Youth and Sport

is represented in the meetings. Participants are 17 international NGOs, 4 international organizations, and 3 government agencies.

Social Research Forum

The Social Research Forum was initiated in mid-1996 by two research institutes to bring together organizations interested in socio-cultural and economic research issues in Cambodia. The first meetings were attended by some 10 agencies, including UNDP, the United Nations Population Fund (UNFPA), and departments of the Royal University of Phnom Penh. The Forum is an informal group open for all groups interested in (mainly social, environmental, and cultural) research conducted in Cambodia. Meetings are organized on an *ad hoc* basis. The contact agencies are the Center for Advanced Studies or the Cambodian Researchers for Development (CRD).

Cambodian NGO Support Network (CNSN)

The Cambodian NGO Support Network (CNSN) is an informal working group established in mid-1995 to bring together organizations interested in the needs and difficulties faced by local groups. Participants are 13 international NGOs, 1 international organization, and 3 Cambodian NGOs. The most active international NGOs are PACT, CIDSE, Oxfam UK/HK, and PADEK. The mandate is to provide a dialogue between funding agencies and local NGOs. It is an *ad hoc* group or forum that deals with issues such as improving communication and responding to the draft NGO law.

In July 1996, CNSN organized the Partnership Workshop. The goal was to discuss expectations of international and local NGOs and to further coordination efforts. Some 62 participants from more than 30 support agencies and 69 persons from more than 50 Cambodian NGOs attended the three-day workshop. Contact agencies are CIDSE or PACT.

Federation of Ponleu Khmer

Established in December 1993, the role of FPK is to communicate with the Government on issues of common interest for local NGOs, provide a platform to disseminate information, and build capacity among the members. Until 1995, FPK was the only body for local NGOs. It now comprises 98 members and receives funding from international funding agencies. One expatriate adviser coordinates the FPK Training and Support Center for members. The 1997 budget was \$217,300. FPK's current goals are to promote open multiparty democracy and respect for human rights, rehabilitate and develop Cambodian society, and strengthen the capacity of member organizations.

Other Umbrella Organizations of Local NGOs

- The **Cambodian NGO Alliance for Cooperation** is a split-off from FPK and initiated by ADHOC, which remains the leading force behind the alliance. The Alliance focuses on issues of human rights and brings together 33 local NGOs.
- The **Human Rights Action Committee** comprises 10 local NGOs involved in human rights issues. The contact is ADHOC.
- **CCC** brings together 32 local NGOs and aims to coordinate the dissemination of information on democracy and capacity building for local NGOs. The contact is the Khmer Youth Development Association.
- **Amara**, another FPK offspring, is a platform for 31 women's local NGOs to coordinate capacity building.
- The **Improvement of the Poor Cambodians Together (IMPACT)** is a coordination group of 20 local NGOs implementing activities on agricultural and community-based development. Contacts are the Cambodian Association for Development of Poor People or the Socio-Economic Development Organization.

An interesting development is the emergence of coordinating meetings or umbrella organizations in provincial towns such as Battambang, Kampot, and Kampong Thom. In Battambang, local groups come together to discuss issues of common concern in regularly held meetings. This initiative is formalized by a Statute of the Coordinating Committee and the election of five local leaders to form the committee. In August 1995, this evolved into a coordinating committee of 37 local NGOs.

Other meetings or coordination initiatives on health, agriculture, disability, education, women in development, and human rights are listed in CCC's 1997 *Directory of Sectoral and Ad Hoc Groups in Cambodia*. Some of these initiatives have existed for several years, but virtually no documentation is available. An in-depth study of the local umbrella initiatives, both the formulated and ad hoc, would contribute to a better understanding of the role and capacity of local NGOs and the function they can play in the future development of the country.

Samakum, meaning "association" in Khmer, is a movement as well as a local NGO. It has 12,000 farmer members and advocates the protection and improvement of interests of small farmers. In 1995, Samakum decided to establish credit programs for its members. However, the organization is not listed in the NGO directories, nor does it participate in any of the above networks.

Conclusion

The Cambodian NGO community is large and competitive. Local NGOs emerged after the first liberalization efforts in 1991. The number of both local and international NGOs increased rapidly after the arrival of the United Nations Transitional Administration of Cambodia, and again following the election. Currently, more than 250 local and 200 international NGOs are operating in the country, spending annually more than \$75 million for humanitarian and development assistance.

NGOs are a significant, well-established force deeply entrenched in the country's development efforts. Most are very small. Nevertheless, together with the 20 or so large NGOs, some of which employ hundreds of staff, NGOs have become a significant force. NGOs implement development and awareness projects throughout the country, although the majority of the assistance is provided to the provinces west of the Mekong River. Grassroots level activities and capacity-building programs comprise the core of assistance. NGOs are capable of implementing both large-scale and small-scale projects, but traditionally focus on the latter.

Several NGO bodies exist, with CCC the most prominent among international NGOs and FPK among local organizations. In addition, more than 40 sectoral network groups gather together agencies with common interests. Despite the tendency of NGOs to protect their independence, cooperation among local and international NGOs is increasing and together NGOs are contributing to a better use of development aid funding and a higher level of efficiency and information sharing.

GOVERNMENT POLICY

Legal Framework

The Cambodian Constitution makes no mention of NGOs, but does make reference to civil organizations. Some ministries and departments regard NGOs as associations, while others consider them as agencies. Legislation regarding NGOs, local as well as international, has been drafted. Pending the adoption of this new law, registration of new agencies was frozen. The law states that all currently registered agencies must re-register.

The development of the draft law on NGO registration has a long history. CDC, officially part of the Council of Ministers (COM) structure but known to be favored by the Royalist Party, commissioned a study on NGOs and the registration law in 1996. At the final phase of this study, CDC decided to cancel the commission and not to publish its results. It is surmised that the study did not receive the support of either the second Prime Minister (CPP) or the Ministry of Interior (MOI).

Through CCC and FPK, NGOs have had dialogue with government representatives about the draft law and have proposed several improvements. The law is considered liberal by most NGOs and most of its articles do not provoke objections, and, in fact, reflect NGO suggestions. However, the law is not clear concerning the requirements for reports that NGOs are supposed to submit. NGOs fear that without clear definition of the requirements the responsible Ministry may use these articles to apply pressure and increase control of NGOs.

In the past, although it was clear that registration was required, regulations were vague and varied depending on where the registration took place. Researchers found that NGOs and associations had applied for registration with either COM, the Ministry of Foreign Affairs (MFA), or MOI. Traditionally, international NGOs registered with MFA, while local NGOs registered with MOI. COM was often used as a first stop in the process.

Registration Procedure for International NGOs

Since 1979, all international NGOs have applied for registration at the NGO Bureau of the Department of International Organizations at MFA. International NGOs were required to write letters requesting approval to operate in the country to a relevant ministry, attaching documents with the following information:

- organizational philosophy
- program of activities
- location of operation
- duration of program
- number of international and local staff
- source and amount of funding
- personal history of the founder

With these documents, the organization could apply to MFA for registration. MFA's Department of International Organizations then submitted the application to COM for its approval. After COM approval, the Department of International Organizations prepared an agreement document to be signed by the Country Representative of the NGO and by the Under-Secretary of State.

The main terms of this agreement were:

- the Government will authorize the international NGO to employ Cambodian and foreign personnel
- the Government will facilitate work permits or visas for foreign personnel or visitors
- MFA will act as the administrative counterpart of the NGO on behalf of the Government
- the NGO will report its plans and activities

After signing the agreement, the international NGO must present the agreement to the relevant ministry before commencing its activities.

Registration Procedure for Local NGOs

No specific ministry is assigned the responsibility for registration of local NGOs. Local NGOs are referred to COM or MOI, but requirements for registration are not clear. Some local NGOs have applied at both COM and MOI, and also at the Department of Policy.

Several local NGOs have registered directly with the MOI's Department of Policy, without approaching COM. Each of these local NGOs was required to provide the following information:

- copy of the NGO's statutes
- logo
- administration
- finances

- staffing
- program activities
- personal history of the founder

Content of the Draft Law

The Law on Associations and NGOs is widely regarded as liberal, and with clarification of certain sections, will provide a sound legislative basis for operations conducted by both local and international NGOs. The draft law includes articles that:

- protect the right to establish organizations
- ensure that nonprofit organizations serve the public and do not become commercial or profitmaking
- ensure a legal entity

Further, the law includes articles ensuring the process of registration and limiting the control of the relevant ministry. If the ministry concerned has not responded to an application within 90 days, the organization shall be considered to be legally registered. If registration is refused, the applicant has the right to file a complaint with the civil court.

One point of difference between government and NGOs concerns the reporting requirements. The draft law only states that the report shall contain a summary of the activities, a financial balance sheet showing income and expenses for the year by category, and a list of funding sources.

MOI, however, reportedly has plans to demand specific and detailed budget information about funds spent both in the country and abroad, plus detailed information about Cambodian employees. This unconfirmed plan has received much opposition from NGOs who fear that this would be the first step towards stricter control than the draft law proposes.

Fiscal and tax regulations for NGOs are regulated by the Law on Taxation, promulgated by Royal Kram No. NS/RKM/0297/03, dated 24 February 1997, and signed by the King. The Ministry of Finance, however, has not yet decided on the regulations for NGOs. At the moment, international NGOs enjoy import duty exemption by virtue of documents from MFA and no income tax payment is required. The tax law will target NGO personnel and came into force in 1997. Neither the tax law nor any other law prohibits NGOs from commercial activities to earn income for their development programs. Charitable agencies or organizations with a scientific or educational purpose are specifically exempted from tax on profit, except for profit made through activities not substantially related to the purpose or function constituting the basis for tax exemption. Personnel from international organizations and agencies of technical cooperation belonging to other governments are also exempted from income tax in Cambodia.

GOVERNMENT/NGO RELATIONS

Policy Environment

The importance of the role of NGOs is recognized by the Government. NGO strengths—reaching the poor, facilitation of resource mobilization, delivery of services at low costs, finding innovative solutions to novel problems—are acknowledged.

The Ministry of Social Affairs, for example, reported in 1995 that NGOs were absorbing all the operational costs of programs and services for disabled people. The report notes:

Salaries of ministry staff are low. Many of them are depending on NGO allowances and per diem to supplement their income. The phasing out of NGOs will deal a double blow to civil servants because not only will they lose their supplementary incomes, their salary might be lowered due to increased pressures on the Government to provide services as well.

NGOs can write proposals and obtain funding (and provide funding) that government officials cannot.

During 1994 and 1995, most of the reported funds implemented by NGOs went to the health, education/training, and community development subsectors. It is projected that NGOs will invest over \$100 million in the health subsector alone by 2000. The Government considers that NGOs have developed a special niché in implementing rural development programs.

Nonetheless, tensions exist between the Government and NGOs. *The Aid Coordination Handbook 1994*, published by the Ministry of Education, Youth and Sports (MOEYS) to present findings during a forum of NGO representatives and MOEYS staff, states:

Some NGOs or international organizations are not good listeners. They are quite rigid when it comes to adjusting their objectives and procedures to fit local needs. Local people are frustrated because some technical assistants do not really know how to do their best to serve local needs.

Government/NGO Dialogue

The dialogue between the NGO community (both local and international) and the Government has not yet begun. Local NGOs, however, are preparing themselves for such dialogue. Some government voices blame expatriate representatives of international NGOs for not listening well to indigenous sources. Indeed, they are sometimes perceived as presumptuous regarding the development needs of Cambodia, and it has been suggested that some NGOs consider government partners inadequate and self-interested. It must be said, however, that many international NGO expatriate workers are impressed by the performance of their government counterparts, who must achieve much with few resources.

At the central level, no formal structures of cooperation between the Government and NGOs exist. Consultations take place on an ad hoc basis between sections of the Government and certain NGOs or groups of NGOs. Government departments may be observers or participants in meetings between NGOs, but this has not resulted in more formalized discussions. It has been suggested that the Government must first define its own policy for NGOs and the structure in which NGOs need to operate before a fruitful dialogue can begin.

One government body that has succeeded in maintaining at least some dialogue with both local and international NGOs is CDC. CDC has made efforts to assess the NGO community and to gather comprehensive information about development assistance provided by NGOs. In cooperation with the CCC, a database containing program and funding information from all responding agencies is being developed. This database may become a valuable source of information on the development aid provided by NGOs. CDC maintains informal relations with both CCC (international NGOs) and FPK (local NGOs). Although CDC is presently not influential in government circles, it may be the only entry point available for future coordination efforts. In certain provinces, mechanisms are in place for exchange of information or coordination of development activities.

Government/NGO Cooperation

Cooperation between the Government and NGOs consists largely of information exchange with government officers acting as assistants in the implementation of NGO development activities. Cooperation on equal terms has not been achieved, although some examples may have been overlooked by the researchers. The status of cooperation between the Government and NGOs in recently initiated Bank projects on integrated agriculture and basic health is not clear.

Cooperation between the Government and NGOs is limited in Cambodia, in part because of the lack of skills and human resources within the local NGO community. But

it may also be influenced by the attitude of some of the international NGOs. In the past, several international NGOs reported negative experiences with government partners in their projects and decided to focus efforts in the future on the nongovernment segments of society. Other NGOs have developed an attitude, as reflected in the MOEYS report, that only they and their local partner organizations can effectively help the people. They do not feel the Government is able to attain the goals set in development plans and projects.

The majority of development NGOs, however, try to cooperate with their government counterparts, even though numerous problems are encountered due to the poor state of development in the country. In most cases, the lack of cooperation is due to a weak government structure, which is simply unable to match the efforts of NGOs.

The Government after the 1993 elections in effect was a dual system of party appointees for leading positions, from the prime minister level to the district level. Both the Royal Party and CPP had their own people in place on central and provincial level. Besides two Prime Ministers there were co-Ministers for the main ministries. Governors affiliated with one party were checked first by Vice-Governors from the other party. This dualistic system also effected the technocratic level, although the CPP managed to retain or even promote many of their people who occupied such positions before the election. At the district level and below it was still mainly the CPP whose people are making decisions, despite the agreement made after the elections to share power from the highest to the lowest level. This dual system and the absence of an effective administrative apparatus severely hampered the proper functioning of the Government and was a major impediment to cooperation.

In matters considered important by the main coalition partners, action will be taken. But in matters where there is no policy, such as NGO cooperation, decisions are often avoided simply by not addressing them. It is suggested that this has hampered some development projects involving NGOs.

Village Development Committees

VDCs are a relatively new phenomenon in Cambodia. Some international NGOs organized committees to assist VDC programs only in 1991. The first large-scale establishment of such committees was by the World Food Programme (WFP) of the Vulnerable Group Assistance Project in 1992-1993. In order to assist the project in identifying needy or vulnerable people, committees were set up in over 400 villages throughout the country. The committees consisted largely of respected people, notably village heads.

The committees functioned quite well until the start of the 1993 election campaign, when virtually all committees ceased to exist. The reason for this unexpected phenomenon is reportedly that people were afraid to be targeted and harmed. The

program was unable to resurrect most of the committees until after the election, and therefore was obliged to use other means to achieve its objectives.

Following the election, many more agencies formed their own kinds of VDCs. These committees usually had functions related to a development project, although the effects of such committees in several cases exceeded the project objectives. The Government was rarely involved except at the local level. In effect, the Government was unaware of the potential of these VDCs until quite recently. With the upsurge in debate among the coalition partners about a more fair (toward the Royalist Party) sharing of power in districts (and consequently communes and villages), and the consequent appointment of party-affiliated chiefs at the local level, the potential of the VDC as a grass-roots power base was recognized.

At the end of 1994, the first official steps were taken by CARERE to implement its new development plan in five northwestern and northeastern provinces, home to about 20 percent of the population. Critical to this plan was the establishment of VDCs. Initiated by CARERE, the *Seila* program was designed to bring about a fair, just, and peaceful society and to raise the living standards of all Cambodians. The institutional structure forming the backbone of the program is the establishment of

. . . appointed government committees from national to district level, and democratically elected, autonomous committees at village level, and finally a combination of elected and appointed members at commune level (CARERE 1997).

Although there is debate within the NGO community concerning the function and nature of such VDCs, it is stated that the VDC was recognized by the Royal Government as an autonomous, nongovernment body belonging to the village.

The Ministry of Rural Development (MRD) has also adopted the mechanism of VDCs to facilitate rural development activities in the country. MRD refers to them as village rural development committees, but its description is similar to that of VDCs. The Minister of MRD, in a 1996 speech to the NGO community, made it clear that the Ministry does not see the village rural development committee as autonomous, but more as an extension of the ministry. The debate about how this cooperation between the Government and NGOs can be formulated is bound to continue. MRD hopes to learn how to cope with this new mechanism from the experiences of NGOs like CARERE.

VDCs are a promising controlled policy experiment and probably the only grass-roots structure for government and nongovernment cooperation. The question arising is twofold:

- Are VDCs really autonomous, i.e., do they have sufficient decision-making power and resources to cause a significant difference?
- Who exactly in the village do VDCs represent?

One observation is that in theory VDCs are community-based, but it has become apparent that even within this grouping there is debate about the nature and purpose of development and a search for ongoing funding sources.

The VDC may function as an important development agent but will need considerable support and monitoring during its formative period. Despite this qualification and the natural aversion of any government to let others take control, the opportunities for cooperation are many. But the opposite may also be true. Representatives of local NGOs, working in several provinces, have been told by local government officials that with VDCs, the need for NGOs is lessened.

NGO/FUNDING AGENCY RELATIONS

Cooperation with Funding Agencies

NGOs in Cambodia enjoy extensive cooperation with a large variety of funding agencies, and funding from a wide range of agencies is channeled through NGOs. The agencies cooperate directly with international NGOs and increasingly with local NGOs, such as NOVIB Netherlands (supporting PADEK), Sida Sweden (supporting CARERE and the Cambodian Mine Action Centre (CMAC) or AusAID Australia (supporting the Cambodian Red Cross [CRC]). Some agencies fund NGO projects. For example, UNDP funds local NGOs for training and human resource development.

In the ADB-funded Basic Health Services Project of the Ministry of Health (MOM) (ADB Loan No. 1447-CAM), a number of district pilot projects will be implemented to gather data about the best option for the country as a whole. The pilot projects consist of building or renovating community health centers and the provision of medical management for the centers. For the first time, the Bank has invited Cambodian NGOs to submit proposals for the construction and management of the centers.

Another example is the Bank's National Health Indicator Survey of the same project. Through an open invitation, four locally based NGOs were invited to submit proposals for the execution of the training and logistical parts of the survey. International firms invited to bid were advised to select a local NGO with whom to cooperate on equal terms. Only two local NGOs were interested. They formed an association and were selected on the technical proposal.

Some funding agencies employ group approaches to solicit proposals from NGOs for specific purposes. UNDP, for example, invited local NGOs to submit proposals for training and human resource development projects. AusAID recently organized a very well-attended meeting to explain its funding policies. Other funding agencies visit the country and select specific NGOs for their special areas of interest (e.g., the International Development and Research Centre is interested in environmental concerns).

Several funding agencies invite NGOs to execute activities within the existing programs of funding agencies, such as the Reproductive Health Program of the United Nations Population Fund (UNFPA). Most of these approaches are initiated by the funding agency and there is little evidence of a policy dialogue between the agency and the NGOs. Funding is linked to the agenda of the agency, and while international NGOs are accustomed to such approaches, local NGOs tend to question the right of funding agencies to decide on issues of programming. Some NGOs have complained about the

interference of funding agencies in financial and staffing matters and about funding agency-driven agendas.

NGOs, particularly local NGOs, are beginning to organize in sectoral groups with a view to jointly approaching funding agencies with a collaborative NGO development program. The development of such indigenous programs is not easy due to the limited resources of many local NGOs. A capacity-building fund to enable NGOs to develop programs, increase proposal writing skills, and develop the necessary assessment skills would benefit funding agencies, NGOs, and the country as a whole.

Many, if not most, NGOs are involved in development projects that in one way or another are funded by bilateral/multilateral funding agencies. *The Directory for International Humanitarian Assistance*, prepared annually by CCC, provides detailed information on the voluntary reporting by NGOs. Examples are:

- demining activities of CMAP
- legal defense counseling and human rights awareness projects (KID, ADHOC)
- reproductive health activities (National Maternal and Child Health Center, CRD)
- environmental projects with the Ministry of Environment (IDRC)
- rural development and civil society (CAREERE)
- health projects (CARE, Medicins sans Frontieres)
- income generation (ACLEDA)
- irrigation schemes (MCC, AIFC)

Government-Related or National Organizations

One of the former mass organizations from the socialist period in Cambodia has survived the country's transformation to a free market economy and now operates as an NGO with close relations to the Government. With Bank assistance, the former structure of the Socialist Women's Association, a mass organization with branches throughout the country down to commune level, was transformed into Women in Development (WID) Centres in all provinces. The WID Centres have considerable autonomy, although they remain structurally linked to the Ministry for Women's Affairs. The WID Centres are the only existing agencies with national grassroots links, although each is very dependent on the personality and influence of their director. The WID Centres target assistance to women and address all sorts of local issues of concern for women.

The WID Centres essentially took over the staff of the former Women's Association. These individuals were quasi-civil servants, paid by the Government and assigned to the Central, provincial, and district levels. Below that level the members of the association were volunteers. In some cases staff remained civil servants, and received payment from the Government even after the abolition of the association in 1993.

In some provinces the WID Centres have contacts on the village and commune level through the volunteer networks; in other provinces most of the old ties are gone. The ties remain strong on the district level in virtually all provinces due to the continuation of government employment.

CRC was founded in 1955. Since that date it has operated from its current headquarters, except for the Khmer Rouge period from 1975 to 1978. Due to the special circumstances in Cambodia, CRC has for the past 14 years operated under the auspices of the Government through MOH. Following the election, CRC returned to nongovernment status. During the repatriation operation, CRC played a crucial role in facilitating the distribution of food and other basic necessities. CRC was the logistical counterpart of the World Food Programme (WFP) for all its food distribution from 1990 to 1996, when a large part of the operations by WFP were transferred to the Ministry for Rural Development. CRC recently rejoined the International Red Cross and Red Crescent. The major focus of CRC is of course the health sector, in particular the HIV/AIDS problem.

CMAC, established in 1992 by the Supreme National Council, is an NGO. Its Director is Cambodia's Minister for Information. Ex-soldiers are employed for the task of demining. The link with the Government is obvious. CMAC is heavily supported by a number of international funding agencies.

POTENTIAL FOR BANK/NGO COOPERATION

Opportunities and Barriers

International and a few local NGOs in Cambodia have indicated keen interest in increased dialogue and cooperation with the Bank. The strong interest shown by NGOs in the Basic Health Services Project through MOH is evidence of the general interest in cooperation. NGOs have had considerable involvement with UN agencies such as the United Nations High Commission for Refugees (UNHCR) and UNDP, as well as the World Bank. Thus far, however, the time and resources demanded by the competitive tender procedures of the ADB means that only the larger resource-rich NGOs are able to compete for contracts.

An important first step in increasing dialogue between NGOs and the Bank will be to increase the amount of information available to NGOs in Cambodia about the Bank's program in the country. The task of providing information to the NGOs is simplified by the existence of CCC, the NGO Forum for Cambodia, FPK, and other functioning information channels. The Bank's Cambodia Resident Mission can play an important role in increasing the flow of information to the NGOs in the country.

NGO Participation in Bank Projects

- **Khmer Women's Voice Center (KWVC).** Mainly an advocacy local NGO with a research section, KWVC was involved in the 1994 ADB study (TA 1889-CAM), which was subsequently published as *Using Both Hands*. KWVC provided crucial expertise and trained interviewers, but was not involved in the design of the study and had only limited involvement in the interpretation of the results.
- **Cambodian Researchers for Development (CRD).** An institute for research and training, CRD was involved in five studies for the Bank, including this study. In the technical assistance for Basic Health Services Preparatory Project and in this NGO study, CRD staff have been involved in direct consultation with Bank staff. Such direct contact between the Bank's employees and their ideas, and the people who will carry out the assignment, was of key importance. In this study one of the principal field researchers of CRD participated in the Inception Workshop where the study team and the Bank agreed on the final terms of reference.

- **SAWA-Cambodia.** A local NGO supported by a foundation in the Netherlands, SAWA provides consultancy services through a small team of expatriates who train local engineering staff on the job. SAWA has been involved as the local counterpart in several Bank-funded projects. The costs of participating in an international tendering process are too high for a small locally based organization with limited resources. For groups like SAWA to be involved, tender procedures will need to take into account the constraints of the local situation.