Joint Donor Paper on 'Supporting Human Development'
for the Consultative Group meeting to be held in
Phnom Penh 6th and 7thDecember 2004

Excellencies, Ladies and Gentlemen,

Capacity building and human resource development are core to both economic growth and poverty reduction. A healthy and well-educated society, in which the roles of men and women are valued equally, is the foundation on which the goal of growth, as set out in the Rectangular Strategy, will be achieved.

Progress since 2002

Since 2002 in some aspects, progress in *capacity building and human resource development* has been made. There have been improvements in the coverage of basic services and some improved utilisation; there has also been significant progress in sector wide policy making and planning.

In health, for example, the coverage of essential services, such as DOTs for the treatment of TB has continued to expand at health centres; in education, educational enrolment for primary age children rose from 2.1 million to 2.7 million, within 4 years to 2002/3 with the poorest communes increasing their share of enrolments.

In both health and education, government and donors and NGOs have participated in developing sector-wide strategic plans that are supported through progressively better co-ordinated financial and technical resources from development partners. The National AIDS Authority and its partners are beginning work to revise the national plan for HIV/AIDS. The Ministry of Women's Affairs began the process of gender mainstreaming across government and partners in 2000 and this will be greatly assisted by the information and analysis contained in the multi-donor supported gender assessment and policy briefings whose launch is imminent.

At an outcome level, there has also been some positive progress. For example, there has been a significant decrease in population growth since 1998 and a corresponding fall in the number of children women are bearing.

On public resource management in the social sectors, one focus of the CG benchmarks for 2002 the picture is less positive. Public spending on health and

education has certainly risen during recent years. However, despite evident effort by the authorities to accelerate the timely delivery of cash for programme implementation, disbursements to both ministries continue to be made with unacceptably long time lags, significantly hampering service delivery. The CG benchmarks in this area have not been met. Delayed disbursements to the provinces and slow procurement contracting further deny the possibility of coordinated service planning.

Progress on previous CG benchmarks in HIV AIDS has been more successful. Targets on legislation and the provision of free airtime for HIV AIDS programmes have been met. Donors are providing substantial support for the implementation of the government's Continuum of Care (including treatment for people with AIDS). Although there are positive signs that HIV prevalence is stabilising, there is no room for complacency. There will be significant challenges in extending the national programme for prevention and care at the required standard to the whole country. Likewise, whilst there has been progress in articulating a policy framework for gender mainstreaming, much remains to be done to put policy recommendations into action.

Moving Forward

Although some progress has been made, the challenges in human development remain great and the donor community remains deeply concerned, as does the government.

In health the highest priority is to improve maternal and child health. We are also acutely aware of the poverty caused by high levels of private health spending and the ineffectiveness of much of that spending. And as the HIV epidemic matures, of growing concern is the spread of HIV to spouses and infants and among newly-identified vulnerable groups such as men who have sex with men and intravenous drug users.

In education, the low levels of retention in primary school and the limited access to secondary and vocational education, especially for girls and women are key priorities. Across all sectors, the donor community, with government, has identified the need for comprehensive gender mainstreaming, accompanied by budget allocations to address gender disparities.

These issues are at the heart of the agendas of the Technical Working Groups which have been established across the social sectors with the full participation of development partners and NGOs. Together we have developed benchmarks for 2005. These benchmarks and the targets set out in the strategic and annual plans are the measures by which we will assess progress in the fields of health, education, gender and HIV AIDS. They will need to be achieved if Cambodia is to stand any chance of making significant progress towards its Millennium Development Goals.

It is not surprising that the benchmarks reflect some of the core themes of this CG: improved public financial management, public administrative reform and better government and partner collaboration. These are all prerequisites to improve service delivery in health and education, to combat HIV AIDS and to increase the equitable inclusion of girls and women in development and enable the substantive participation of women at all levels of governance.

We would like to highlight five challenges in delivering the Rectangular Strategy's vision in *capacity building and human resource development* many of which are already reflected in the TWG benchmarks and government's own plans for harmonisation and alignment.

First is the challenge of strengthening Government-led sector partnership: There is still considerable work to be done to strengthen government, donor and civil society partnerships in *capacity building and human resource development.* Partnerships in the social sectors are among the most well established, but there will need to be accelerated development of these partnerships if we are to deliver the Rectangular Strategy's ambitious vision. This should include a joint realistic assessment of likely levels of government funding, discussion of the appropriate role of government in this context and consideration of alternative strategies. Strategies and plans that exist now need to be resourced and translated into better co-ordinated action.

A second key challenge highlighted in the 2005 benchmarks is ensuring financial and human resources are delivered as planned and focused to meet priority needs. Public spending must increase, and crucially, timely disbursements to the health and education sectors must improve and be focused on priorities, especially the delivery of essential services in poor and rural areas. The benchmarks also focus on the need for human resource management to improve through public administrative reform — particularly in establishing incentives for performance at every level and in deploying

staff in remote and rural areas. Low salaries have a major negative impact on service delivery while ad hoc externally funded salary supplements and other payments only compound the problem. Addressing this will require sustained focus from Government, supported by donors.

The third key challenge donors would like to highlight is the need to improve the quality of service delivery and sharpen impact on the poor and vulnerable. Improvements are needed in a host of areas from the allocation of midwives to health centres, the establishment of equity funds for health, scholarships for the poor (and especially for girls) to the extension of HIV AIDS programming to reach marginalised and vulnerable populations. Improvements are needed in both the delivery of programming — such as quality enhancement of primary education to reduce drop out rates, and the quality of care at health facilities — and in the policy and legislative environment — for example establishing legislative protection for those 25% of women suffering domestic violence or others victimised by trafficking.

Whilst government must provide the leadership to bring about these changes, donors also recognise that to achieve the goals of *Capacity building and human resource development* will require our strengthened support. We will need to respond to your leadership and prioritise our work collaboratively to meet your needs. And so the fourth key challenge is for us, donors, to ensure that resources match your priorities. In health, this will mean donors actively seeking ways to ensure that funding for priority mother and child service delivery is balanced with that for communicable diseases. In education a focus on in-service training of administrators is an idea gaining ground with donors. In HIV, funding is needed across sectors to support a broad based response to the epidemic, not just health, and to address the causes of vulnerability.

As in other rectangles within the government's strategy, donors recognise that the ultimate judge of success in *Capacity building and human resource development* will be Cambodian citizens themselves. This is the fifth and final priority to highlight - increasing the accountability of the public service, at all its levels: it is a common theme emerging throughout this CG. It is Cambodian citizens who need to see improved quality of services and increased opportunities. It is particularly the poor and vulnerable Cambodians that have been left out from improvements to date. And so it is to the Cambodian citizen that we must ultimately answer when we measure our progress in future.

So to reiterate these five challenges:

1. **Stronger, government led sector partnerships**
2. **Improvements in financial and human resource management focused on priority needs**
3. **Improvements in the quality of service delivery, particularly focused on the poor**
4. **Better matching of donor resources to development priorities**
5. **Increasing accountability to Cambodian citizens**

We look forward to a productive discussion in the meeting today around these priorities for how government and how donors can work better together to ensure that progress in capacity building and human resource development accelerates, as it needs to in order to underpin poverty reduction and economic growth.