

RGC's Action Plan on Harmonization and Alignment: 2004-2008

Section A: Ownership and Leadership					
Results	Actions Needed	Responsible RGC Institutions	Lead Donor	Milestones	Timing
1. RGC leads the process and prepares a single Strategic National Development Framework for the next planning cycle (2006-2010)					
a) RGC prepares and adopts a single National Strategic Development Plan (2006-2010).	(i) SEDP and NRSP are consolidated into one strategy document, aligned with CMDGs: <ul style="list-style-type: none"> Formalize institutional mechanism for formulating NSDP (TWG/Planning and Poverty reduction) MoP requests all line Ministries & Institutions to formulate individual Strategic Plan Sector ministries/agencies prepare Sectoral Strategic Plans Sectoral Strategic Plans consolidated into a NSDP Consultations on NSDP with all stakeholders NSDP Revised, if necessary Consolidated NSDP submitted for adoption by RGC and for approval by the legislatures 	MoP, SNEC with line Ministries and Institutions MOP and line ministries Ministries and TWGs MOP MOP MOP MOP	WB,ADB, UN, and DFID TWGs TWGs TWG/Planning and Poverty Reduction TWG/Planning and Poverty Reduction TWG/Planning and Poverty Reduction 	TWG on Planning & Poverty Reduction established and starts developing NSDP. Technical meetings in MOP held to discuss NSDP preparation process and guidelines for the preparation of NSDP issued. Sector Strategic Plans prepared. Technical workshop(s) First draft of NSDP prepared National Workshop(s) Revised NSDP completed. NSDP approved by RGC and Parliament.	December 2004 January 2005 May 2005 June-August 2005 September 2005 October, 2005 November-December 2005

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1. RGC leads the process and prepares a single Strategic National Development Framework for the next planning cycle (2006-2010)					
a) RGC prepares and adopts a single National Strategic Development Plan (2006-2010).	(ii) Implement the National Strategic Development Plan through national sector programs in the form of SWAp, SWIM and Program Based Approach.	Concerned sector ministries.	Concerned donors through Technical Working Group.	Preparation of national sector programs in at least 2 sectors	June 2005
	(iii) Expand the application of SWAp, SWIMs, and PBAs modalities in appropriate sectors, e.g. <ul style="list-style-type: none"> • Agriculture • Infrastructure: sub-SWAPs in transport/energy/water • Land Management • Decentralisation 	Line ministries and CDC	TWGs	National Sector Programs in other areas developed.	2005 - 2006
b) RGC uses a single national development framework for planning linked to resource allocation, including ODA.	(i) Use the new TWG on Planning and Poverty Reduction as mechanism for coordination for planning and monitoring the implementation of the NSDP.	MEF, MoP and CDC	TWG/Planning and Poverty Reduction	Process for coordination for planning and monitoring of NSDP established.	Early 2005
	(ii) Build a common understanding of relationship between the NSDP and other planning and budgeting mechanism.	MEF and MOP	TWG/Planning and Poverty Reduction	Workshops to disseminate information on NSDP and other planning & budget mechanisms.	Throughout 2005
	(iii) Reflect the priorities of the NSDP in the budgeting process.	MEF	TWG/PFM	MEF & MOP explore options and take appropriate actions.	Beginning 2006
	(iv) Incorporate sector priorities in the preparation of MTEF.	MEF with concerned Ministries	TWG/PFM	Sector priorities incorporated in the MTEF.	2006

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Results	Actions Needed	Responsible RGC Institutions	Lead Donor	Milestones	Timing
2. RGC assumes leadership role in the coordination of development assistance					
a) Cambodia's Action Plan for Harmonization and Alignment—2004-2008, outlining RGC's priorities on harmonization and alignment, is prepared and agreed with development partners.	(i) RGC's Action Plan on Harmonization and Alignment prepared and approved.	CDC and ministries	All donors	Government approves National Action Plan.	November 2004
	(ii) Secure agreement between RGC and interested donors on a Partnership Agreement.			Partnership Agreement signed. Inform the CG meeting on the H & A Action Plan and Partnership Agreement	November 2004 December 2004
b) RGC has one ODA coordinating body.	(i) Strengthen CDC's leading role within the RGC on ODA coordination and resource mobilization.	CDC	TWG/Partnerships	Endorsement of the GDCC.	Dec 2004
	(ii) Strengthen CDC's focal point for ODA planning.	CDC	TWG/Partnerships	CDC leads all discussions for ODA planning.	Jan 2005 onwards
	(iii) CDC leads the coordination process to implement Cambodia's Action Plan on Harmonization and Alignment.	CDC	TWG/Partnerships	Endorsement of CDC lead role to implement H/A Action Plan.	Dec 2004
c) RGC's ODA Management Policy prepared and agreed with donors.	(i) Formulate basic principles of ODA Management.	CDC and concerned Ministries	TWG/Partnerships	Discussion and agreement with donors on principles of ODA management.	November 2005
				Adoption and implementation of basic principles of ODA management.	Dec 2005

Section A: Ownership and Leadership					
Results	Actions Needed	Responsible RGC Institutions	Lead Donor	Milestones	Timing
2. RGC assumes leadership role in the coordination of development assistance					
d) Joint planning and monitoring of the implementation of RGC's development priorities, involving donors and stakeholders, as outlined in its strategic development framework(s) and its Rectangular Strategy.	(i) Restructuring of the Working Groups finalized leading to joint planning and monitoring on the implementation of RGC's development priorities outlined in its strategic development framework(s) and the Rectangular Strategy.	CDC and line ministries	Donors	Inform CG	December 2004
e) RGC has the information it needs to lead and coordinate development assistance.	(i) Donors provide full information about their activities to RGC.	CDC	TWG/Partnerships	Agreement on modality and content of information provided by donors.	June 2005
	(ii) Donors provide periodic progress reports on on-going harmonization and alignment efforts to RGC.	CDC	TWGs	Periodic reports, on quarterly basis, provided.	Start Jan 2005
3. As one of the fourteen pilot countries, Cambodia plays an active role in the implementation of the Rome Declaration on Harmonization and Alignment (2003).					
a) RGC provides regular progress reports on implementation of Cambodia's Action Plan on Harmonization and Alignment.	(i) RGC reports progress at the Second High Level Forum on Harmonization and Alignment (HLF2).	CDC	Progress report presented at HLF 2.	Early 2005
	(ii) Government prepares periodic reports on the implementation of the Rome Declaration.	CDC	TWG/Partnerships	Reports prepared and presented to GDCC.	on-going
	(iii) RGC participates in Regional Workshop on Harmonization and Alignment.	CDC	On-going

Section B: Capacity Development					
Results	Actions Needed	Responsible RGC Institutions	Lead Donor	Milestones	Timing
1. RGC's capacity strengthened to effectively perform development coordination and management functions					
a) The capacity of CDC, coordinating agencies and sector ministries strengthened to effectively perform development coordination and management functions.	(i) Assessment of the capacity development needs of the relevant government agencies to effectively perform development coordination and management functions completed within the context of the preparation of sector plans (SWAPs).	Relevant government agencies	TWGs	Each sector plan (SWAP) includes capacity development needs assessment and strategy for filling the critical gaps.	December 2005
	(ii) Secure commitments from ministries and development partners to support the identified capacity development needs secured.	Relevant government agencies	TWGs	Adequate commitment (financial) secured.	December 2005
	(iii) Develop and implement training and institutional strengthening programs based on the results of the capacity assessment.	Relevant government agencies	TWGs	Indicators developed by TWGs measuring increased capacity within government agencies. Decrease in % ODA spent on TA.	December 2005 on-going
	(iv) to avoid institutional duplication and confusion, assess inter- ministerial mandates and relationships.	CAR	TWG/PAR	Each TWG flags institutional issues and informs the TWG/PAR.	on-going

Section B: Capacity Development					
Results	Actions Needed	Responsible RGC Institutions	Lead Donor	Milestones	Timing
1. RGC's capacity strengthened to effectively perform development coordination and management functions					
	(vi) TWGs provide timely feedback on all sector capacity development proposals to ensure that the TA to be provided is based on demand-driven needs at the sector/program level	Concerned ministries	TWGs	Process designed and disseminated	June 2005
b) Agreement on principle and practices of donor support for allowances and salary supplements to Government employees.	(i) Finalize strategies to deal with incentives issues, including salary supplements, finalized.	CAR and concerned Ministries	TWG/PAR	Agreement on strategy.	
	(ii) Review the findings of the study on "Capacity Building Practices of Cambodia's Development Partners" and develop an action plan to implement agreed recommendations between the Government and donors.	CAR and concerned Ministries	TWG/PAR	TWGs develop Action Plans in their areas.	December 2005
	(iii) Develop guidelines for remuneration of local consultants and Cambodian nationals employed on donor supported programs/projects, based on market principles.	CAR and concerned Ministries	TWG/PAR	Survey on 'market rates' for national consultants and project staff. (see CAR Labour Survey) Guidelines agreed and disseminated.	December 2005 June 2006

Section C: Alignment					
Results	Actions Needed	Responsible RGC Institutions	Lead Donor	Milestones	Timing
1. RGC and donors adopt the consolidated Strategic Development Plan of the RGC as the common framework for planning ODA.					
Donor activities are aligned with government strategies and policies.	(i) Increased donor efforts to align their country assistance strategies with the RGC's national development priorities, strategies, approaches and processes, and the Rectangular Strategy.	CDC and concerned ministries	TWGs	All new donor country strategy documents are aligned to the RGC Strategic Development Plans and to the NSDP (2006-2010).	on-going
2. Donor practices are harmonized around the generic elements of the program/project cycle					
a) Government introduces national operational guidelines for development cooperation activities covering all component of the program/project cycle.	(i) RGC prepares in collaboration with development partners national operational guidelines for development cooperation activities on the grant side that embody international standards, and adopts these guidelines.	CDC	UNDP	National Operational Guidelines prepared, agreed and discussed with partners, and adopted by government and partners.	Now to June 2005
	(ii) Donors, government and national institutions use National Operational Guidelines in the planning and management of the implementation of their programs/projects.	CDC, MEF and concerned Ministries	All donors	National operational guidelines used in planning, designing and implementation of projects/ programs.	Loan projects (June 04); Grant projects (Dec 05)
b) Development assistance is increasingly delivered in accordance with RGC's priorities.	(i) Donors support is linked to the government's strategic development plan, and implementation through the MTEF.	MoP, MEF	All donors		From now on

Section C: Alignment					
Results	Actions Needed	Responsible RGC Institutions	Lead Donor	Milestones	Timing
3 Donors increasingly use Government's systems, procedures and practices, where appropriate					
a) Development partners seek to reduce the proportion of ODA that bypasses the National Budget and RGC commits to integrate ODA into budget .	(i) Donors provide full information to RGC on ODA flows (including contributions to NGOs) in a timely fashion, to enable integration into budget cycle	CDC and concerned Ministries	TWG/Partnerships	Data to CDC for previous year provided by March each year by all donors	on-going
b) Medium Term Expenditure Framework (MTEF) is strengthened and expanded.	(i) Donors increase the share of aid commitments provided through multi-year funding arrangements	MoP, MEF	TWG/PFM	Where sector-wide MTEF exist, increasing number of donors commit to multi-year financing	on-going
	(ii) RGC commitment to accommodate direct budget support through implementation of PFM.	MEF	TWG/PFM		on-going
	iii) Identify new areas where the direct budget support modality may be a viable option for disbursing ODA funds.	MEF and concerned ministries	TWG/PFM	New areas identified.	on-going
c) Allocation and utilization of ODA resources are transparent and accountable.	(i) Review and Upgrade Government procurement and financial Management.	MEF	TWG/PFM	Government procurement and financial system improved.	on-going
	(ii) Standardize reporting formats for sector programs.	MEF, CDC	TWG/Partnerships	Reporting format agreed and implemented – utilized for sector programs.	December 2005
	(iii) The National Audit Authority's role and auditing capacity are strengthened.	NAA	PWG/PFM	As NAA capacity builds, then an increased proportion of ODA is audited by NAA	on-going
	(iv) All donors give CDC permission to freely disseminate information on ODA.	CDC	TWG/Partnerships	Agreement with all donors secured	December 2004
	(v) All detailed ODA data is available on CDC website	CDC	TWG/Partnerships	Functioning ODA database website. All donors provide data on ODA disbursements for 2005 to website.	December 2005 March 2006

Section D: Harmonization and Streamlining					
Results	Actions Needed	Responsible RGC Institutions	Lead Donor	Milestones	Timing
1. Donor-Donor harmonization is strengthened to reduce transaction costs and to maximize ODA benefits for Cambodia					
a) Decrease burden on the Government in the formulation of Donors' strategies and plans.	(i) Donors prepare joint country assistance strategies. ii) Donors deliver their assistance through SWAPs, SWiMs and PBAs.	CDC, MEF and concerned Ministries Sector ministries	TWGs TWGs	Fewer stand alone donor country strategies. At least two more SWAPs prepared. SWAPs in other areas formulated.	on-going June 2005 December 2006
b) Donor field offices have sufficient authority to enable the implementation of country-based harmonization initiatives.	(i) Donors HQ's take action to decentralize authority to their Cambodia country offices to provide maximum flexibility in implementing the harmonization action plan. (ii) Donor country Offices take actions to tackle HQ constraints where these occur.	CDC CDC	Donor HQs, and country offices Donor country offices	HQ's delegate the authority to country offices needed to implement Cambodia's Action Plan on Harmonization and Alignment. Information on donor country office constraints to harmonize shared at GDCC meetings.	January-December 2005. on-going
c) Donors further harmonize their practices at the implementation stages of sector programs.	(i) Existing and new TWGs work on sector harmonization action plan appropriate to their circumstances, including addressing salary supplementation issues.	CDC, CAR, and MEF	TWG/PAR/PFM	Harmonization Action Plan for the sector prepared and agreed between RGC and donors, including salary supplementation issue.	December 2005
	(ii) Donors integrate PIUs/PMUs into RGC's institutional structures.	Concerned ministries	TWGs	PIUs/PMUs integrated into Government structures by 2007	2005
d) Donors commit to eliminating duplication of activities.	(i) All new activities to be peer reviewed by TWGs to avoid duplication/gaps, and maximize synergies.	CDC and concerned ministries	TWGs	TWG report on steps taken to reduce duplication.	2005

Section D: Harmonization and Streamlining					
Results	Actions Needed	Responsible RGC Institutions	Lead Donor	Milestones	Timing
f) Donors undertake fewer missions, and increase the proportion of joint missions especially for analytical work, sector review, evaluation and monitoring.	(i) TWGs prepare a calendar of planned donor missions in their area.	CDC and line ministries	TWGs	Reduced number of donor missions.	2005
g) Donors decrease the burden on government of project management	(i) TWGs use SMART indicators to reduce the burden of project management.	CDC and line ministries	TWGs	Indicators prepared.	2005
	(ii) Increased number of delegated cooperation/lead agency arrangements.	CDC and line ministries	TWGs	Non resident donors deliver their assistance through delegated cooperation arrangements	2005
	(iii) Increased donor commitment to multi-year resourcing, linked to government multi-year budgeting system.	MEF	TWGs		2005
	(iv) Increased number of joint donor missions.	CDC	TWGS	Increase proportion of joint missions by 10% pa, decrease individual missions by 10 p.a.	2005