

Aid Effectiveness in Cambodia The Implementation Challenge

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It is time to implement the commitments we have made

"There has been a significant effort made to change the manner in which aid is delivered...yet the outcome in terms of development results has not always been immediately evident. In short, too much heat and not enough light."

AER, p 2

"The focus of both Government and development partners must be placed on the implementation of existing frameworks."

AER, p 45

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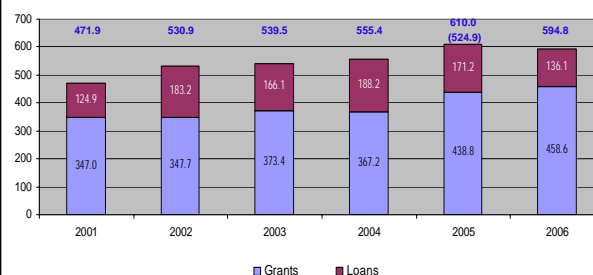
The AER: Evidence-based aid management

- Establish the aid-results transmission mechanism
 - A common vision of the policy agenda & associated reforms
 - Comprehensive planning, budgeting, execution and monitoring
 - Transparent & accountable resource use via universal access to on-line data
- Use of donor's own data for evidence-based analysis
- Use of data and reports to monitor the H-A-R Action Plan
- Use of data to establish a set of H-A-R indicators
- Priority setting and policy recommendations based on empirical findings that are directly linked to NSDP implementation and results

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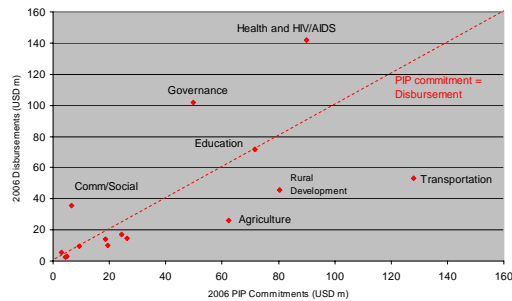
Trends in Aid Delivery

A decline from USD 610m in 2005 to USD 595m in 2006
Significantly reduced loan disbursements



...but we need to work together to improve the data

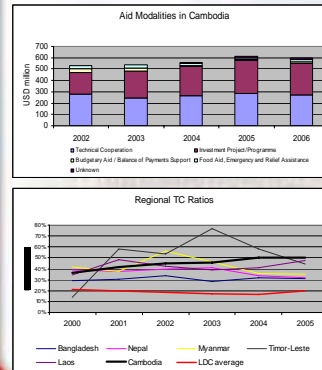
Alignment & predictability – positive developments



...but more progress is required

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Technical cooperation – what impact?



"It may be time to re-think the use of technical cooperation...
...in the context of a partnership-based approach...there can be sharply diminishing marginal returns in the use of technical cooperation experts..."

...in the current aid environment, technical cooperation may be associated with partnership-based efforts to support the national programme...

...the rationale for TC provision remains the same: capacity development."

AER p43

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Concentration & Fragmentation in Aid Delivery

- By global and historical standards, aid in Cambodia is excessively fragmented
- Empirical analysis confirms the extent of the problem
- "Business as usual" is not an option

Sector	# Projects	# Donors
Health	109	22
Education	79	21
Governance	67	20
Rural Dev't	49	20
Agriculture	58	16
HIV/ AIDS	23	14

"Each partner is inclined to participate in every decision and to join every policy dialogue...[becoming] increasingly focused on the results of their own projects, losing sight of the broader and more strategic objectives of the national programme"

AER p6

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Addressing Concentration, Reducing Fragmentation

- Progress on co-funding partnerships must be acknowledged
- Renewed commitment to advancement of SWAPs and programme-based approaches
- Implementation of the TWG Guideline
 - donor division of labour
 - joint reporting, monitoring, review
 - pooled funding through RGC systems
 - rationalise technical cooperation
- RGC will elaborate principles for a broader division of labour

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Policy Recommendations

- 'Action Plan overload' - no new initiatives
- More focus on implementation and results
- The existing policy framework is sufficient
 - Division of labour (TWG Guideline)
 - Consolidated resource envelope (PFM Reform)
 - Reduced fragmentation (TWG Guideline)
 - Focus on monitoring for results (TWG Guideline)
 - Capacity for aid management (Strategic Framework)
 - Institutional arrangements and mutual accountability (Strategic Framework & TWG Guideline)

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1. Implement the TWG Guideline

- A common vision and a common strategy
- Consolidated RGC and aid funding framework
- PBAs and a 'donor division of labour'
- Rationalised use of technical cooperation
- "Default approach" to aid delivery & management
 - Integrated PIUs
 - Joint annual reviews
 - Common results-based monitoring and reporting

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2. Implement the Strategic Framework for Development Cooperation Management

Closer MEF – MoP – CDC collaboration

- Promote alignment through the PIP & AER analysis
- Enhance financial planning (CDC-MoP-MEF)
- CDC as a co-signatory for all new projects
- CDC-donor consultations to promote aid effectiveness
- Use of CDC Database for evidence-based analysis

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3. Technical cooperation in the new aid environment

Measures to increase the effectiveness of TC are closely associated to recommendations on TWGs and fragmentation

- A demonstrated link to capacity development
- A role in partnership-building and brokering
- Government-led management and monitoring of TC resources
- Decreasing marginal returns – address duplication and overlap
- Integrate TC and capacity support into programmatic approaches

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Conclusions

- Aid effectiveness work is linked to NSDP results
- AER as the basis for broad, ongoing dialogue
- Implementation of existing policy frameworks
 - Public sector and PFM reforms
 - Strategic Framework
 - TWG Guideline

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