

The 2008 Paris Declaration Monitoring Survey in Cambodia

2-page analysis (25 March 2008)

Introduction

The Paris Declaration monitoring survey in Cambodia was led by the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia (CRDB/CDC) in collaboration with the joint Technical Working Group on Partnership and Harmonisation. The survey was completed over the period 2 January to 31 March 2008, with the final survey documents being endorsed by the Technical Working Group on 25 March.

The modality for collecting development partner data was adapted to make full use of the Cambodia ODA Database instead of the survey questionnaire. This has enlarged the number of development partners for which data was obtained (24 compared to 18 in 2006) and the total development assistance included in the survey (USD 711 million compared to USD 470 million in 2006). This approach will also support future implementation of the Paris Declaration as well as allowing for improved country analysis and monitoring at the project and sector level. The survey has therefore been a valuable opportunity to strengthen national systems and partnership for aid management.

An overview of the indicators

The results of the survey are shown in the table below, together with the results from the 2006 baseline exercise and the 2010 targets.

Cambodia Paris Declaration Indicators

No.	Indicator	2005 Baseline (2006 survey)	2007 Status (2008 survey)	2010 Target
1	Implementation of national plans and frameworks	C	C	B or A
2	Quality of PFM systems (CPIA rating)	2.5	3.0	3.5 or higher
3	Aid reported on budget	79%	85%	90%
4	Coordinated technical cooperation	36%	35%	50%
5a	Use of country PFM systems	10%	12%	tbc
5b	Use of country procurement systems	6%	16%	tbc
6	Parallel PIUs	49	121	16
7	In-year predictability of aid flows	69%	104%	85%
8	Untied aid	86%	52%	> 86%
9	Use of programme-based approaches	24%	28%	66%
10a	Coordinated missions	26%	12%	50%
10b	Coordinated country analytical work	60%	17%	70%
11	Sound performance assessment framework	C	C	B or A
12	Reviews of mutual accountability	Yes	Yes	Yes

Note. Figure for untied aid provided by OECD/DAC (2008 survey figure derived from Cambodia ODA Database data for reference)

Of the indicators that are measured in-country, all show an improvement except for coordinated technical cooperation, PIUs, joint missions and common analytical work. In addition to differences being associated with an increased number of partners reporting in 2008, all 4 cases require that the quality of data in both the 2006 and 2008 survey exercises. PIUs were likely under-reported in 2006, while the criteria and definitions have also been clarified resulting in a break in the trend. Mission and analytical work reporting is still subject to variation in application of the definitions and the lack of any robust system amongst development partners to record and plan missions continues to preclude reliable monitoring or, more important, to promote increased coordination of missions and analytical work.

Significant progress in aggregate predictability has been achieved through the strengthening of information management systems and improved partnership mechanisms. In particular, the Cambodia Development Cooperation Forum has provided a mechanism to identify scheduled disbursements over the medium-term and the ODA Database has created a tool which both Government and development partners can use to record aid flows, thereby eliminating any measurement error that results from using dual systems.

Progress and challenges associated with implementing global and national aid effectiveness priorities is recounted below. The following issues are pertinent:

I. Improved information on delivery and management of development assistance

The Government has made significant investments over the last three years in establishing and strengthening its own ODA Database. This allows for improved linkages between development assistance, the National Strategic Development Plan (NSDP) and the budget, as well as for enhanced transparency in aid delivery. Government has received committed and effective support from all donor focal points and the next challenge is to use this information at sector and sub-national level to strengthen the ability of both Government and development partners to more effectively coordinate the delivery of aid.

Some development partner agencies, however, do not yet have adequate information systems in place or, in the view of Government, may have mis-reported the status of their projects (for example with respect to PIUs, missions and engagement in PBAs). The provision of improved donor systems, together with clearer incentives to implement the aid effectiveness agenda, are actions that may accelerate progress.

II. Consolidating national reforms to strengthen public financial management

The use of Government financial and procurement management systems is still very low. It was observed during the 2006 survey that where there is a significant fiduciary risk, development partners will not be able to make full use of Government systems; this observation remains valid in 2008. It is therefore necessary that the Public Financial Management Reform Program continues to progress as it has done in recent years so that efforts to improve the credibility of the budget process are consolidated and extended to financial management systems at national and sub-national level. Related reform efforts are on-going across other parts of the public sector, including in public administration, the legal sector, and in decentralisation and deconcentration. To ensure that the full impact of PFM reforms are realised, and that these reforms are sustainable, it will become increasingly important over the next years to link the related components of the multiple reform agenda so that a coherent legal and institutional framework can be established. For the purposes of implementing the Paris Declaration commitments, the links between PFM and public administrative reform will be particularly important in establishing incentive and monitoring systems at national and sub-national level.

III. Reducing aid fragmentation through increased delegation and use of PBAs

One key aid management challenge in Cambodia relates to the fragmentation of aid. Working with over 35 development partners, each providing support across a range of sectors that finance a total of more than 700 separate projects, implies duplication, a lack of coordination, difficulty in reporting on results, parallel planning and implementation outside of the budget process, and a burden on local capacity. While increased use of programme-based approaches may address these symptoms of fragmentation it was observed in the 2007 Aid Effectiveness Report that actual progress in establishing and consolidating PBAs has been slower than anticipated. Renewed effort needs to be made by Government and development partners to develop coherent sector programmes. Work on complementarity is currently being undertaken at global and national level but this must be prioritised and implemented if it is to have its desired impact.

IV. Increasing the capacity development impact of technical cooperation

A significant share of development assistance in Cambodia is provided as technical cooperation. Both Government and development partners share the concern that the impact of this technical cooperation, in particular in terms of capacity development, is sometimes less than may be expected. The Government has therefore established a programme of work that will develop analytical inputs for wider discussion with a view to developing a new guideline on the use of technical cooperation resources. A Guideline on the Role and Functioning of Technical Working Groups was also produced in 2007; while this note provides for Government and development partners to work more closely together in undertaking a capacity needs assessment and developing strategies for coherent and effective support, continued effort must be made to implement this provision.

Conclusion

The 2008 survey process demonstrated continued commitment to jointly implementing the Paris Declaration and to jointly monitoring progress through enhanced country-based systems. In this respect there is encouraging evidence that the development partnership is strong and there is a clear joint commitment to the principles of more effective aid.

While overall progress in strengthening development partnerships has been good there is, however, more mixed evidence of actual progress in implementing existing policy frameworks. Some deterioration in four of the indicators highlights that continued emphasis needs to be placed on aid effectiveness issues, in particular at sector level. While there is cause for optimism, it is now necessary to translate existing

partnerships into the implementation of agreed policy frameworks. Only this will lead to more effective aid delivery and management mechanisms that can contribute to the achievement of development results.