4.- Country Worksheet

Monitoring the Paris Declaration on Aid Effectiveness

This document can be downloaded at:
www.oecd.org/OECD-DAC/effectiveness/monitoring

About this worksheet

This worksheet is intended to provide the basis for a national dialogue on aid effectiveness and implementation of the Paris Declaration at country level (See Explanatory Note). It consolidates information provided by all the donors in the Donor Questionnaire (Document 2) and in the Government Questionnaire (Document 3). This worksheet is part of a set of documents that also includes:

Doc. 1: Explanatory Note

Doc. 2: Donor Questionnaire

Doc. 3: Government Questionnaire

Doc. 4: Country Worksheet (this document)

Doc. 5: Definitions and Guidance

Completing this worksheet

Once this worksheet has been completed, the **National Coordinator** will convene a meeting with all donors and Government representatives to examine and discuss the information with a view to validating the country worksheet and reaching a common understanding on its content. This worksheet should record both qualitative assessments and quantitative data for the indicators covered by the Survey. Whenever relevant, the qualitative assessment should also draw on information provided by the desk reviews (Indicators 1, 2, 8 & 11).

■ **Qualitative assessment** — For each of the indicators, Government representatives and donors are invited to provide a short qualitative assessment that sets out a common understanding at country-level. Where consensus on a common understanding cannot be reached the qualitative assessment should record different opinions rather than seek consensus at all costs. Additional guidance for the qualitative assessment is provided below for each indicator.

■ **Quantitative assessment** — For each of the indicators quantitative data from the Donor Questionnaire (Document 2) and the Government questionnaire (Document 3) should be consolidated using the pro forma table provided in the appendix of this document. An Excel spreadsheet is also available to help the National Coordinator consolidate quantitative data from the Donor Questionnaire (Document 2) and the Government Questionnaire (Document 3); it can be downloaded at: www.oecd.org/OECD-DAC/effectiveness/monitoring.

■ **Validation of the Country Worksheet** – Once the country worksheet has been completed and validated it should be communicated to the OECD Secretariat, by the **15 August 2006** at the latest, for aggregation and analysis. A final report presenting key findings will be made available by the OECD Secretariat by December 2006.

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Definitions of key terms and additional guidance for all of the indicators are provided in Document 5.

Country information

- Country: Cambodia
- Name of National Coordinator: Mr. Chhieng Yanara
- Date of submission to OECD Secretariat: 15 September 2006

Indicators 1 & 2

Both of these indicators are established by the means of desk reviews. For additional information please turn to the Explanatory Note (Document 1). Information on the desk reviews is available on a country-by-country basis on the OECD website (www.oecd.org/OECD-DAC/effectiveness/monitoring).

Indicator 3: Aid flows are aligned on national priorities

- **Quantitative data** — Please consolidate responses from all donors for questions Q^d1 and Q^d2 and questions Q^g1 from Government questionnaire using the pro forma template included in the appendix (or downloadable Excel spreadsheet).

- **Guidance for comments** — There are many reasons why there are gaps between what is disbursed by donors and what is recorded in annual budgets. These include: lack of timely, or comprehensive, provision of information by donors, poor communication within Government etc. In particular, where adjustments (e.g. discounting project aid) are made to the scheduled amounts of ODA before incorporation into the budget, such adjustments should be explained in the comments below. Please identify and comment on the challenges in achieving the goal for Indicator 3 by 2010 and what is being planned to address these challenges.

Indicator 3 — Please provide comments here (in no more than 800 words):

Indicator 3= Q^g1/Q^d2	Q^g1=	313,560,442	=	79%
	Q^d2=	396,875,606		

*see attachment 1 for all data.

It should be noted that this indicator assumes the existence of a medium-term expenditure framework or a budgeting process that aligns resources with national priorities. In Cambodia, as of 2005, a fully-functioning budgeting mechanism, based on national priorities, was still being developed and this requires further strengthening. As of 2005, there were existing national development strategies; the Second Five-Year Socio-Economic Development Plan for 2001-05 (SEDP2), the National Poverty Reduction Strategy (NPRS) for 2003-2005, the Cambodia Millennium Development Goals. With the formulation of a new Administration, the government shared its vision as the Rectangular Strategy.

The survey data indicates that 79% of total ODA disbursed was recorded in the Government systems, however this should be interpreted with some degree of caution due to the absence of a coherent link between the budget and national priorities. In addition, it should be noted that what is recorded in both the budget estimates and in budget execution reports does not always tally with disbursements recorded by donors.

During 2005, the Government worked with donors and other stakeholders to produce a single national development plan, which led to the formulation of the National Strategic Development Plan (NSDP) 2006-2010. At the March 2006 Consultative Group Meeting the Government presented its Public Investment Plan (PIP), based on the NSDP, and requested donors to align their ODA to NSDP priorities and the PIP. This exercise will inform the national budgeting process.

Currently the Ministry of Economy and Finance (MEF), Ministry of Planning (MoP), Council for the Development of Cambodia (CDC) and the Supreme National Economic Council (SNEC) are coordinating in linking national priorities, aid flow and budgeting process, and further efforts of implementing the Public Financial Management Reform Program (PFMRP)are underway by the Government, supported by donors[1] PFMRP includes a component designed to strengthen

[1] ADB, Australia, Denmark, EC, France, Germany, IMF, Japan, Sweden, UNDP

the linkages between the Budget, the NSDP and sectoral priorities and programmes, and it is expected that ODA will be increasingly integrated as part of this work.

While some donors have difficulty in providing timely and comprehensive information on aid flows due to the different fiscal year period, efforts will continue that will enable the Government to record ODA flows in its Budget more comprehensively.

As stated above, ODA alignment with Government priorities has been enhanced through the CG meeting, which in 2006 included the collection of data on planned ODA disbursement by sector. This allows the Government to identify the gap between resource requirements and ODA commitment, as well as to assess the alignment of ODA with the NSDP (See ANNEX 1).

In addition, CRDB/CDC, the Government aid coordination focal point, is reviewing and updating its ODA Database and the format for donor reporting. At the last joint Government-Donor Partnership and Harmonization Technical Working Group held on May 30 2006, it was proposed and agreed that the Paris Declaration indicators be included in the routine data reporting exercise in order to institutionalize the survey process. This will simplify and expedite the survey process in the future, as well as providing consistency over time. In addition, it will allow the indicators to inform national efforts to promote aid effectiveness by providing objective data for further analysis on aid delivery, alignment and harmonisation.

Government and donors will also take additional measures to fully utilize the existing aid coordination mechanism, including the Technical Working Groups (TWGs), to align ODA to the NSDP. If the TWGs become effective fora for coordinating support in developing sectoral strategies, and plans, and sectoral/thematic programmes, they can facilitate ODA alignment with the NSDP. This will require that the capacity of officials in charge of planning and aid coordination at line ministries and at CRDB/CDC be enhanced to exercise leadership in aid management.

<Comments on the Indicator>

During the OECD-DAC mission in early May, it was emphasised that the survey records ODA disbursements at the point of delivery, regardless of its source of funds. Cambodia's ODA Database applies a different way of recording ODA, i.e. by source of funding. The OECD-DAC methodology therefore results in many donors appearing to disburse less than is actually the case (balanced by others disbursing these funds channeled through them). It is noted that OECD-DAC encourages delegated cooperation and/or use of multilateral channels and it would be useful to identify some means of measuring the extent to which donors efforts reflect these principles of the Paris Declaration or reflect the source of funds in some way in the questionnaire/ worksheet

This indicator reflects the gap between the total disbursement to the Government sector, and the disbursement recorded in Government systems (i.e. the budget), as a proxy for assessing alignment with national priorities. In the case of Cambodia, it should be noted that a significant amount of ODA is disbursed to local government and/or to NGOs, many of whom provide essential public services. The Government and its development partners believe, therefore, that the current indicator does not necessarily fully capture alignment of ODA with national priorities as ODA provided through non-Governmental actors and/or to local government is omitted. The OECD-DAC Secretariat is asked to give this matter further consideration.

Indicator 4: Strengthen capacity by co-ordinated support

■ **Quantitative data** — Please consolidate responses from all donors for questions Q^d3 and Q^d4 from Donor Questionnaires using the pro forma table included in the appendix (or downloadable Excel spreadsheet).

■ **Guidance for comments** — In order to measure this indicator partner authorities are asked to establish in close consultation with donors, a list of coordinated capacity development programmes that support their national development strategies. In establishing this list of programmes partner authorities and donors will be guided by the definitions presented in Document 5. Establishing a list of coordinated capacity development programmes provide partner authorities an opportunity to clearly signal *where* capacity development efforts are required, and *what kind*

of arrangements for providing technical cooperation best support their national development strategies. Please describe efforts that have been made to strengthen capacity development and, in particular, how it is being provided in a more coordinated way. In doing so, please explain the country specific criteria that were adopted for measuring Indicator 4. In addition, please identify and comment on the challenges in achieving the goal for Indicator 4 by 2010 (50% of technical co-operation flows are implemented through co-ordinated programmes consistent with national development strategies) and what is being planned to address these challenges.

Indicator 4 — Please provide comments here (in no more than 800 words):

Indicator 4= Q^d4/Q^d3	Q^d4=	77,013,267	=	36%
	Q^d3=	211,732,676		

*see attachment 2 for all data.

The indicator for Cambodia shows that 36% of TC can be considered coordinated; this falls short of the target set by the Paris Declaration but it is expected that, as more PBAs are established, there will be an increased opportunity to develop TC programmes that are both coordinated and relevant to Government's capacity development needs (See ANNEX 2 for the List of Coordinated Programmes).

Efforts are underway to develop a set of Government principles/guidelines for providing Technical Cooperation and supporting capacity development. This includes a 2004 study by the Partnership TWG on Capacity Building Practices of Cambodia's Development Partners, and the development of National Operational Guidelines for Development Cooperation Grant Assistance, which makes a provision for routine capacity assessments as part of project/programme formulation. The Government's Action Plan on Harmonization, Alignment and Results (2006-2010) also commits both Government and donors to ensuring that "all sector plans and development programs/projects include an assessment of the existing capacity gaps and a capacity development plan to fill the gaps to achieve targeted development results". But this has not been fully applied in practice.

Although a basic framework is therefore now in place to provide general guidance on support to capacity development, it will be important to emphasise Government ownership and leadership in identification of capacity needs, the coordination of TC and capacity building activities, including ensuring that PBAs are developed that clearly articulate the role of TC.

It was also noted that, with regard to private sector-related support, TC provided by donors takes on a markedly different set of forms. Due to the wide range of stakeholders, TC is provided at different levels and through different approaches. The dialogue mechanisms in these areas, including the Government-Private Sector Forum (which comprises 7 Working Groups) and the Private Sector Development Steering Committee (which comprises 3 sub-steering committees), needs to ensure the engagement of all donors supporting the private sector so that TC can be increasingly coordinated.

<Comments on the Indicator>

Technical Co-operation (TC) is defined by OECD-DAC as the provision of know-how in the form of personnel, training, research and associated costs. It also states that Coordinated Technical Cooperation comprises either capacity development programmes or programmes which have capacity building components and which also: 1) support a country's national development strategy; 2) are led by Government and follow widely shared and clearly articulated objectives from senior Government sources; 3) are integrated within country led programmes; and 4) are co-ordinated with other donors where relevant (including arrangements for co-ordinating donor contributions). The set goal for indicator 4 by 2010 is to achieve 50% of implementation of technical cooperation to support capacity development through coordinated programmes.

In the case of Cambodia, all TC activities included in the programmes defined as Programme-Based Approaches (PBAs) by the National Coordinator are identified as coordinated TC. These include SEILA, PFMRP, LMAP/Land Management, the Health SWiM, the Education SWAp, HIV/AIDS and Mine Action. Donors were also encouraged to identify as "coordinated" any

projects and programmes where they are beginning to harmonise and coordinate their capacity building efforts between themselves and are pursuing a division of labour based on a common strategy or framework.

A list of coordinated programs is provided at Annex I. This shows that many of the reported 'coordinated programmes' are not part of a PBA. Some cases, for example, comprise coordination among 2 or 3 donors outside of and/or without a PBA framework, while there was also a view that where a project funded by a single donor is coordinated with a Ministry, is consistent with the sector strategy, and includes information sharing via the respective TWG, then this might satisfy the criteria for coordinated TC. But others argue how effectively these support could be considered as coordinated without a single budget framework

Some donors also had difficulty in coming to a common understanding of precisely what technical cooperation is and which cost can be counted as technical cooperation, and it was noted that capacity development elements are not necessarily fully represented by "technical cooperation".

Indicator 5a: Use of country public financial management systems

■ **Quantitative data** — Please consolidate responses from all donors for questions Q^d5, Q^d6, Q^d7 & Q^d8 from Donor Questionnaires using the pro forma template included in the appendix (or downloadable Excel spreadsheet).

■ **Guidance for comments** — Please describe what use is currently being made of country's public financial management systems and its three components (budget execution, financial reporting & auditing). Please describe the challenges in making greater use of partner country's public financial management systems and what is being planned to address these challenges.

Indicator 5a — Please provide comments here (in no more than 800 words s):

Table 1

Indicator $5(a^i)$= [(Qd5+Qd6+Qd7)/3]/Qd2	Q^d5=	68,714,619	=	10%
	Q^d6=	34,547,177		
	Q^d7=	11,558,022		
	Q^d2=	396,875,606		

Table 2

Indicator $5(a^{ii})$= Qd8/Qd2	Q^d8=	9,380,000	=	2%
	Q^d2=	396,875,606		

Table 3

Indicator 5 (a^i): Use of country public financial management systems		
Measurement of Indicator		
Information collected for indicator 5 (a^i) will be presented as follow:		
Percent of ODA all three partners' PFM procedures [Q^d8/Q^d2]	No Donors	Percent of donors by extent using all three partners' PFM systems
Less than [10%]*	18	100%
From [10%]* to [50%]*	0	0%
From [50%]* to [90%]*	0	0%
More than [90%]*	0	0%
Total	18	100%

* see attachment 3 for all data.

In 2005 only 10% of ODA made use of the Government's public financial management systems, in a considerable way below from the target of 90% by 2010. With regards to the share of donors using all three of Government's PFM systems (budget, financial reporting and audit), 100% of Cambodia's donors are in the category of 'less than 10%'.

The major obstacle to the use of Government systems is that they are still in the process of being developed and at present there is insufficient confidence displayed in them by donors, and sometimes also by Government. This relates to the legislation that guides financial management, the National Financial Reporting Procedures, budgeting, treasury and accounting and audit functions. To avoid fiduciary risks, the Government therefore accepts turn-key projects that follow donor systems and procedures, although these are ideally accompanied by components of counterpart capacity building.

Government is now committed to its 10 year Public Financial Management Reform Programme (PFMRP) and as this progresses it will allow for increased use of Government systems in the future. Further provision of an enabling environment such as public administrative reform and the establishment of PBAs will also facilitate greater integration and use of Government systems.

This is demonstrated most positively where there have been concerted efforts to strengthen Government systems, including, for example, in the Education sector Priority Action Program (PAP) and the Commune/Sangkat Fund, both of which use the Government financial system. These examples provide an opportunity to learn and apply good practices.

Indicator 5b: Use of country procurement systems

■ **Quantitative data —** Please consolidate responses from all donors for questions Q^d9 from Donor Questionnaires using the pro forma template included in the appendix (or downloadable Excel spreadsheet).

■ **Guidance for comments** — Please describe what use is currently being made of country's procurement systems and the challenges in using them to a greater extent? Please explain what efforts are being made to improve country procurement systems. In doing so, you might wish to signal cases where donors apply safeguard measures.

Indicator 5b — Please provide comments here (in no more than 800 words):

Table 1

Indicator 5(b^i)= Qd9/Qd2	Q^d9=	22,468,286	=	6%
	Q^d2=	396,875,606		

Table 2

Indicator 5(b^{ii})= # of donors using national procurement system / Total # of donors	# of donors using national procurement system = 6	=	33%
	Total # of donors = 18		

Table 3

Indicator 5 (bi): Use of country procurement systems (percent of donors)		
Measurement of Indicator		
Information collected for indicator 5 (b^i) will be presented as follow:		
Percent of ODA channeled through country's procurement procedures	No Donors	Percent of donors using partners' procurement systems
Less than [10%]*	14	78%
From [10%]* to [50%]*	4	22%
From [50%]* to [90%]*	0	0%
More than [90%]*	0	0%
Total	18	100%

* see attachment 4 for all data.

The following subordinate legislation and policies have been functioning in Cambodia but only use of unmodified national procurement procedures applies in the case of the survey:

1. 1995 Sub-Decree for public procurement;
2. 1995 Prakas on the Implementation of the Rule and Regulation on the Management of

Public Procurement;
3. 1998 supplementary instruction to 1995 Prakas on Implementing Rules and Regulations on Public Procurement (IRRPP);
4. February 1998 Privatized concession or BOT
5. August 2003; Social Fund and Sangkat /Commune Fund Handling (under decentralization policy); and
6. August 2005 Standard Operating Procedures for externally funded projects under the purview of the Ministry of Economy and Finance (SOP)

In 2005, only 6 % of ODA made use of the national procurement system. Indicator 5(bii) shows that 78% of that donors are in the lowest category, below the target of 90% of all donors using Government procurement systems by 2010.
As is the case with indicator 5(a), the low number of donors, and their ODA, using the Government procurement system reflects the need to strengthen the system further and to build confidence. As mentioned above in 5(a), Government is now implementing its Public Financial Management Reform Programme, which also includes the improvement of RGC's procurement systems and the introduction of new legislation.

Progress has been made as three development partners (ADB, AFD, World Bank) are following the procurement procedures set out in the Government's new procurement system under the Standard Operating Procedures (SOP) for Externally Financed Projects and Programs, adopted in August 2005. The SOP contains three volumes: i) the SOP itself (August 2005); ii) the Financial Management Manual (FMM, September 2005); and iii) the Procurement Standard Operational Procedure (commonly called the Procurement Manual) (August 2005). Donors recognize that these are the most comprehensive set of procurement procedures existing in Cambodia and they are consistent with international standards. Alongside the National Operational Guideline, line ministries and development partners are encouraged to use the SOP in the future.

Indicator 6: Avoiding parallel implementation structures

■ **Quantitative data** — Please consolidate responses from all donors for questions Q^d10 from Donor Questionnaires using the pro forma template included in the appendix (or downloadable Excel spreadsheet).

■ **Guidance for comments** — This indicator measures the total number of parallel PIUs in a single country. It is expressed in absolute terms rather than a ratio. As a result, the number of parallel PIUs in a single country needs to be considered against the nature and volume of development assistance in that country. Please explain any issues that arose in agreeing on the list of parallel PIUs. Please describe what use is currently being made of PIUs and the challenges in phasing out parallel PIUs. Please explain what is being planned to address these challenges.

Indicator 6 — Please provide comments here (in no more than 800 words):

Indicator 6= Q^d10	Q^d10=	49	=	49

- see attachment 5 for all data.

Of the 436 projects identified in total, 49 were reported to have parallel PIUs, i.e. 11.2% of the total (see Annex 2 for the full list of parallel PIUs). The Paris Declaration target for 2010 is to "reduce by two-thirds" the number of PIUs; progress is expected to be made both by integrating existing PIUs, and also by developing PBAs – with coordinated TC where appropriate - that will preclude the use of new parallel PIUs as projects are increasingly implemented directly by Government (See ANNEX 4 for the List of Parallel PIUs).

Government and donors had discussions on the status of a PIU when NGOs are involved as implementers. It was agreed locally that "in some cases NGOs act as PIUs (parallel) particularly when they manage operational activities in the absence of Government structures or support to the Government institutions due to a lack of capacity in that particular sector". Some donor reported some NGOs find it easier to report directly to donor than to the government. In such cases, NGO engagement with Government should in the future be encouraged so that reporting is increasingly to Government, not only to the donor; this would also provide for enhanced capacity development.

The share of parallel PIUs in the total was lower than had been anticipated (see the discussion on methodology below). However, it is considered that, in practice, most PIUs could be considered to be of a semi-parallel nature and not necessarily fully-integrated. Most PIUs, for example, were found to report to the Government in some way and there was some degree of Government staff involvement in many aspects of project implementation.

To ensure future progress, the Government's Action Plan for Harmonization, Alignment and Results (2006-2010) identifies the following actions: "CRDB/CDC with support from development partners: (i) carries out a survey on a number of existing PIU/PMUs; (ii) develops a strategy to integrate parallel PIU/PMUs in the Government structure; (iii) implements the agreed strategy (to integrate parallel PIU/PMUs in the Government's structure); and (iv) secures an agreement that no new parallel PIU/PMUs will be established under new programs and projects."

This OECD-DAC survey and on-going discussions regarding the new Cambodian Declaration on Aid Effectiveness, based on the Paris Declaration, will facilitate the process of integrating PIUs as well as promoting the use of PBAs that may, in many cases, preclude the creation of a parallel PIU.

<Comments on the Indicator>

The list of parallel PIUs required that a consensus be established regarding the definition of 'parallel' PIUs. Based upon the criteria provided by the OECD-DAC Secretariat, a small group under Partnership and Harmonisation TWG discussed the criteria and identified a continuum from 'parallel' to 'integrated' PIU operation (see attached matrix). Criteria included: a) accountability to Government; b) staff selection/recruitment and staffing; and c) implementation/operational responsibility. A parallel PIU's accountability, reporting and consultation functions are directed more toward the donor than to Government, which has less involvement and authority in each of the identified criteria.

It was acknowledged that some features are mixed within a single PIU and it was sometimes difficult to make a clear judgement on a PIU's status. A small group therefore pulled together a number of PIU examples in order for donors to clarify the critical points.

Donors were advised to evaluate, firstly, whether their projects have PIUs based on the simple checklist on the criteria above. The PIU Reference Matrix (See ANNEX 3) offers more details around the three criteria above, and the opportunity to further classify PIUs. This could be a useful tool to support donors who want to improve the structure of their PIUs, or in cases where donors are unclear about how to categorise a particular PIU. If donors identify a PIU as "Mostly Parallel" using this matrix, then the PIU should be reported as "Parallel". This could provide us with a more realistic baseline from which to work and evaluate progress in years to come. Donors are also encouraged to provide further qualitative information on distinguishing characteristics of PIUs that they are funding. The matrix can be downloaded from the OECD-DAC website at:

http://www.oecd.org/document/50/0,2340,en_2649_15577209_37106034_1_1_1_1,00.html)

The OECD-DAC survey also prompted a discussion on the merits of PIUs, parallel or otherwise. It was noted, for example, that PIUs can: a) facilitate the smooth implementation of a project; b) provide flexibility where Government procedures are inadequate or where capacity is weak; c) allow Government to focus on its core functions instead of project management; and d) they can reduce fiduciary risk.

Indicator 7: Aid is more predictable

■ **Quantitative data** — Please consolidate responses from all donors for questions $Q^{d}11$ and $Q^{d1}2$ from Donor Questionnaires; and questions $Q^{g}2$ and $Q^{g}3$ from Government Questionnaire using the pro forma template included in the appendix (or downloadable Excel spreadsheet).

■ **Guidance for comments** — The ability to disburse aid on schedule is a shared responsibility between donors and partner authorities. It requires donors, first, to provide reliable information on the schedule of their disbursements, and then, to disburse funds, as much as possible, on schedule. It also requires partners to meet the various requirements (administrative, technical & financial) that were agreed; and to accurately record disbursements in their accounting systems. Inability to disburse on schedule is typically due to a wide variety of

reasons. These include: delays in project execution, failure to meet conditions, re-allocation of funds by donors etc. Please explain the gaps between what was scheduled for disbursement and what was actually recorded as disbursed by Government. Please describe the challenges in narrowing this gap and what is being planned to address these challenges.

Indicator 7 — Please provide comments here (in no more than 800 words):

Indicator 7= Q^g2/Q^d11	Q^g2=	313,560,442	=	69%
	Q^d11=	454,887,325		

*see attachment 6 for all data.

Of the ODA disbursements predicted by donors, 69% was recorded as actually disbursed by Government (Qg2). The 2010 target is to halve the proportion of aid not disbursed within the fiscal year for which it was scheduled, meaning for Cambodia that a target of approximately 85% is appropriate.

Many donors also provided an assessment of how predictable their disbursements were based on their own data. Reasons for disbursing less than the anticipated amount (which was the norm for most donors) included:

- Administrative/procedural problems. Including signing an MoU, identifying an executing agency;
- Technical and substantive issues. Including delays in document approval, recruiting staff or efficiently managing procurement activities;
- Disagreement or uncertainty regarding policy and principles for implementation.

It was observed that predictability requires, first, that donors are able to manage their own administrative and technical obligations and, second, that Government is able to effectively implement the project.

A few donors reported that actual disbursement was higher than the planned disbursement, sometimes due to increased availability of funds being matched by Government absorption capacity.

The feasibility, and therefore utility, of multi-year predictability was also discussed during the survey. Multi-year commitments may widen the gap between the commitment (or projected disbursement) and the actual disbursement, which undermines the whole planning process. It was thought to be worthwhile trying to establish robust estimates for the next year, but obtaining good quality projections for the outer years is often challenging. For some donors, especially the UN agencies, financing may depend on resource mobilisation efforts; projections are therefore inclined to be uncertain and unpredictable. Progress in developing the MTEF will allow many of these issues to be more thoroughly examined and addressed.

A related point was that there is a difficulty in capturing funding through regional initiatives, including, ASEAN, CLMV and GMS which may represent increasingly significant flows over time. At present, these flows may not be captured in either the numerator or the denominator of the indicator but it may be a consideration for the future.

<Comments on the Indicator>

Comparison of donors' planned disbursements with the Government record may not fully address the issue of predictability because failure to record the disbursement may not mean that it did not take place (although this is also a problem). It may therefore also be useful to compare donor disbursements against their own initial projections. This approach may bring problems related to consistency in methodology, however. Some donors have used the amount identified and agreed in an Annual Work Plan, usually approved at the beginning of the year. Other agencies refer to the pledged amount indicated at the time of CG meeting.

Indicator 8: Aid is increasingly untied

This indicator is established by the means of a desk review. For additional information please turn to the Explanatory Note (Document 1). Information on the desk reviews is available on a country-by-country basis on the OECD website (www.oecd.org/OECD-DAC/effectiveness/monitoring).

Indicator 9: Use of common arrangements or procedures

■ **Quantitative data** — Please consolidate responses from all donors for questions Q^d13 and Q^d14 from donor questionnaires using the pro forma template included in the appendix (or downloadable Excel spreadsheet).

■ **Guidance for comments** — Please explain any issues that arose in agreeing on the list of programmes that qualify as programme-based approaches. Describe what use is currently being made of PBAs and the challenges in channelling a greater proportion of aid in support of PBAs as well as what is being planned to address these challenges.

Indicator 9 — Please provide comments here (in no more than 800 words):

Indicator 9= (Q^d13+Q^d14)/Q^d1	Q^d13=	15,240,959	=	24%
	Q^d14=	97912,735		
	Q^d1=	470,011,718		

* see attachment 6 for all data.

The indicator for Cambodia showed that 24% of ODA flows to Government were provided through PBAs. This implies that considerable progress must be made to meet the 2010 target of "66% of aid flows provided in the context of programme-based approaches (PBAs)". The Government's Harmonization, Alignment and Results Action Plan (2006-2010), notes that it will be important to "jointly set targets on the proportion of ODA that is to be delivered through Sector/thematic programs, and other PBAs to be reached by 2010 in the framework of NSDP, and develop and implement a strategy to reach the agreed targets."

The National Coordinator indicated that the LMAP, SEILA, the Education SWAp, the Health SWiM, HIV/AIDS, the PFMRP and the Mine Action Program should be regarded as PBAs in Cambodia. Although not all of these programmes have a single budget framework, they are all coordinated around a programme framework that enables the coordination of interventions and activities and budgets around a common strategy or action plan.

Technical Working Groups (TWGs) have now been established in 18 sectors and thematic areas, and it is their role to facilitate aid coordination and technical level discussions. Some TWGs have facilitated and accelerated the formation of PBAs, and the PBAs indicated by the National Coordinator all use the TWG as a coordination mechanism. Additional efforts by TWGs contributing to the establishment of PBAs can be observed; a) TWG Planning and Poverty Reduction, in support of the formulation of NSDP; b) TWG Agriculture & Water, in support of the formulation of the Agriculture Sector Strategy; and c) TWG D&D (Decentralization and Deconcentration) donor group in support of the formulation of the new D&D program.

Ensuring further progress in establishing PBAs is therefore a priority for the remaining TWGs in the future. It was noted, for example, that the TWGs should emphasise their role in developing common sector strategies around which donors can coordinate efforts; strengthening Government leadership and decision making; working towards common arrangement such as pooled funding arrangements; and increasing the use of local systems for program management. These latter two tasks are also related to progress in the PFMRP as the strengthening of Government systems and the development of sector MTEFs may provide the impetus for providing sector support based on a single budget framework.

Direct budget support under these PBAs is very limited. Commune/Sangkat Fund support jointly funded by UNDP, Sida and DFID under PLG/Seila Program, ADB's Financial Support Programme and PAP are the record of direct budget support. In the Cambodian context, proxying the progress of PBAs by the direct budget support share of ODA is undesirable, however, as this does not represent the totality of on-going efforts by the donors and Government. Most of the support to PBAs is not provided as budget support, in large part due to the need to make progress in the PFMRP in anticipation of increased budget support at a future time.

The survey also revealed that there is not yet a consensus regarding the definition of a PBA. As was the case in indicator 4 (coordinated TC) some donors felt that dialogue in TWGs or with

implementing Ministries was sufficient to meet the PBA criteria; this suggests that clear criteria should be identified and agreed. PBA seminar (sharing some practices in health, education, land management and PFM) was organized in 2005 but further awareness building and agreement on strategy need to be followed. (See ANNEX 5 for the List of Other Forms of Programme Assistance)

Indicator 10a: Joint missions

■ **Quantitative data** — Please consolidate responses from all donors for questions Q^d15 and Q^d16 from Donor Questionnaires using the pro forma template included in the appendix (or downloadable Excel spreadsheet).

■ **Guidance for comments** — Please describe what efforts are being made to rationalise and improve coordination of donor missions and diminish the burden they create on partner Governments. In doing so, distinctions might be made between various categories of missions (reviews, joint missions, long-term etc.).

Indicator 10a — Please provide comments here (in no more than 800 words):

Indicator 10(a)= Q^d16/Q^d15	Q^d16=	147	=	26%
	Q^d15=	568		

* see attachment 7 for all data.

Of the 568 recorded missions, 147 were regarded as "joint", resulting in a ratio of 26% (See ANNEX 6 for the List of Joint Missions). This represents some progress towards achieving the 2010 target (40% of donor missions to the field are joint).

2005 may have been an atypical year for missions, however, as this was the year in which the NSDP was developed, while the increasing threat of avian influenza, and activity related to oil & gas exploitation, all resulted in a higher number of missions than might otherwise have been the case (the effect on the numerator and denominator, and therefore the ratio, is ambiguous, however).

Donor efforts to field joint missions have made excellent progress and are to be acknowledged. This effort should continue, while efforts of reducing the total number of missions should also not be neglected. As per the OECD-DAC Guidelines, this can be achieved by encouraging delegation from capitals and HQs, as well as encouraging donors to focus their support on fewer sectors so that donor staff based in-country are sufficient to provide the support that is required. Also, RGC Harmonization, Alignment and Results Action Plan (2006-2010) suggests each TWG to make a calendar of missions, where feasible, to avoid duplicative missions.

A related challenge relates to the rationalization of joint missions. The current average number of donors on a joint mission is 2 or 3. This could include the multilateral and/or bilateral donor that contributes to a project/program managed by other multilaterals. In this case, the main purpose appears to be to ensure accountability to the donor rather than to provide substantive support to Government. It would be more appropriate to promote the notion of a 'joint mission' as being related to the number of donors who are active in the sector/programme, focusing more on the nature of 'joint' missions, and the use of joint sector reviews led by Government, in order to avoid inflating the meaning of 'joint' missions.

<Comments on the Indicator>

There was some uncertainty on the definition of "mission" (e.g. whether TA missions were to be counted, how long a TA assignment could last before it ceased to be a mission, whether to count the missions requested by the Government for the purpose of the indicator, whether to include missions that were mainly internal or did not require the time of senior Government officials etc). Given that questions of this nature are likely to prevail across a number of countries, it would be helpful to receive further guidance in the future from the OECD-DAC Secretariat.

With regard to the word 'joint', DAC definition uses both 'joint' and 'coordinated' in explaining 'joint' mission. It could be understood that there could be a one-donor 'joint' mission as long as the TOR, timing, activity of the mission is coordinated and agreed among the donors who are in

the same programme. This point also needs further clarification.

Indicator 10b: Joint country analytic work

■ **Quantitative data** — Please consolidate responses from all donors for questions Q^d17 and Q^d18 from Donor Questionnaires using pro forma table included in the appendix (or downloadable Excel spreadsheet).

■ **Guidance for comments** — Please describe what efforts are being made to rationalise and improve coordination of country analytic work.

Indicator 10b — Please provide comments here (in no more than 800 words):

Indicator 10(b)= Q^d18/Q^d17	Q^d18=	71	=	60%
	Q^d17=	118		

* see attachment 8 for all data.

Indicator 10b shows that 60% of all analytical work can be considered as joint. This compares against a target for 2010 of "66% of country analytic work is joint." (See ANNEX 7 for the List of Joint Country Analytic Work.)

For the measurement of this indicator, a list of analytical work was provided by donors and the OECD-DAC definition of Country Analytic Work (CAW) was used: diagnostic reviews, Country or sector studies and strategies, Country or sector evaluations and Cross-cutting analytical work such as gender assessments.

The Paris Declaration also recognizes that "donors have a responsibility in ensuring that the analytic work they commission is undertaken, as much as possible, jointly." In this regard, efforts to coordinate CAW are progressing steadily, although the number of donors participating in each exercise varies. Themes of CAW range from the overall policy-level to the project coordination level.

Although the number of joint CAW is impressive, we can observe there were some similar works undertaken. As mentioned in Indicator 10a, the meaning of 'joint' may have to be defined further to ensure that the real benefit of joint CAW promotes policy coherence and joint programming, as well as reducing both the burden on Government and the number of studies that are replicated by other donors.

Indicator 11

This indicator is established by the means of a desk review. For additional information please turn to the Explanatory Note (Document 1). Information on the desk reviews is available on a country-by-country basis on the OECD website (www.oecd.org/OECD-DAC/effectiveness/monitoring).

Indicator 12: Mutual assessment of progress

■ **Question** — Has a mutual assessment of progress in implementing agreed commitments been conducted in your country? (Please check appropriate box below)

Yes: ☒ No: ☐

■ **Definition** — Mutual assessments of progress are exercises that engage at a national level both partner authorities and donors in a review of mutual performance. In determining whether mutual assessments of progress have been undertaken, partner authorities and donors may be guided by the following criteria:

- *Broad-based dialogue* — Mutual assessments should engage in dialogue with a broad range of Government ministries (including line ministries and relevant departments) and donors (bilateral, multilateral and global initiatives). Government and donors may also consider engaging with civil society organisations.
- *Country mechanisms for monitoring progress* — A formal process for measuring progress and following-up the assessment on a regular basis (e.g. one to two years) might be supplemented, wherever possible, through independent/impartial reviews. The results of such assessments should be made publicly available through appropriate means, to ensure transparency.
- *Country targets* — Partner countries have established country targets for improved aid effectiveness including within the framework of the agreed Partnerships Commitments and Indicators of Progress included in the Paris

Declaration (PD-§9). They may, however, go beyond the Paris Declaration wherever Government and donors agree to do so.

- *High-level support* — The assessments should be transparent and country led with significant support at the highest levels and with an appropriate level of resources.

■ **Guidance for comments** — Please describe the process of and improvements to implementing mutual assessment of progress.

Indicator 12 — Please provide comments here (in no more than 800 words):

Throughout the entire aid coordination mechanism and architecture, there is an emphasis placed on bringing practical meaning to the notion of mutual accountability. Measures that have been taken, before, during and after 2005 to establish broad-based dialogue and to enable a partnership that is based on mutual trust and understanding, as well as accountability include:

1. Establishing a new Government-donor coordination mechanism that has enabled Government and Donors to monitor progress, on a quarterly basis, the implementation of ODA supported activities and the joint monitoring indicators agreed during the CG meeting.

After extensive consultations with development partners in 2003 and 2004, a new Government-donors coordination mechanism was put in place in 2005. It includes: (i) 18 sector/thematic Joint (Government and donor) Technical Working Groups (TWGs); and (ii) a high level Government-Donor Coordination Committee (GDCC) to ensure coordination among the 18 joint TWGs, and to provide policy guidance, to set priorities, and to propose measures to solve problems raised by joint TWGs. 2005 provided the opportunity for learning-by-doing for both ministries/agencies, as well as donor members of the TWGs. Overall, the TWGs have made steady progress, although a 2006 review observed that some have functioned better than others and further guideline to improve the TWG/GDCC mechanism will be developed.

2. Implementation of the RGC's Action Plan on Harmonization and Alignment.

The Royal Government's Action Plan on Harmonization and Alignment, that was prepared through an extensive consultative process involving both ministries/agencies and development partners, was endorsed by the Council of Ministers on 19 November 2004. The Royal Government and 12 development partners of Cambodia who showed a willingness to support the implementation of RGC's Action Plan on Harmonization and Alignment also signed a Declaration on 2 December 2004. These development partners are: Australia, Canada, Denmark, France, Germany, Japan, Sweden, United Kingdom, Asian Development Bank, European Commission, UN System, and the World Bank.

An important element of this Action Plan was the Royal Government's commitment to prepare a single National Strategic Development Plan (NSDP) for the years 2006-2010 to serve as the framework for alignment of all ODA supported activities. In 2005, the NSDP was prepared through an extensive consultative process within Government and with development partners and civil society. In 2005, the joint Partnership and Harmonization (P&H) TWG played a role in facilitating and monitoring the implementation of the Royal Government's Action Plan on Harmonization and Alignment. In July 2005, CRDB/CDC organized a workshop in close consultation with ministries/agencies and development partners to update this Action Plan to incorporate the Paris Declaration's commitments. A follow-up Government workshop was organized to increase the awareness and commitments by senior officials and TWG chairs. The updated Action Plan (2006-2010) was endorsed and adopted both by the Government and donors in February 2006. CDB/CRDB, as the GDCC secretariat and the Chair of the P&H TWG, will continue to be responsible for facilitation of the implementation of the activities in the Action Plan and for monitoring progress. The 2006 OECD-DAC survey will inform the setting of indicators and targets for the Harmonization, Alignment and Results Action Plan.

3. Preparation of RGC's Strategic Framework for Development Cooperation Management.

In 2005, the RGC's Strategic Framework for Development Cooperation Management was prepared through an extensive consultative process both within Government and with development partners in order to articulate how the Government could strengthen the institutional arrangement and build its leadership and capacity in aid coordination and management. It was approved by the Council of Ministers on 27 January 2006 and presented

at the CG meeting in March 2006.

4. Support to senior officials in ministries and agencies to take real ownership of development cooperation activities.

In 2005, CRDB/CDC started a process of dialogue between Government officials on how to improve aid effectiveness and to identify specific support that it can provide to them to enable them to take ownership and to play a leadership role in managing development cooperation activities within their area of responsibility. In 2006, CRDB/CDC will continue to organize these workshops on relevant topics.

5. Development and implementation of a CRDB/CDC ODA Disbursements website.

Recognising that the mutual accountability dialogue must be informed by objective data, in 2005, CRDB/CDC established a web-based ODA Database. The website has been designed to: (i) enable development partners to report their ODA disbursements data directly onto the website; and (ii) provide access on ODA disbursements information to the general public. The website includes a “query” system through which users are able to obtain specific information on ODA flows. The ODA Database has been used to collect ODA disbursement data from development partners for the year 2005 and will in the future be used to record ODA projections, as well as, where feasible, to monitor the Paris Declaration indicators. In the spirit of South-South Cooperation, CRDB/CDC will make the software available to other developing countries free of cost.