

Cambodia Country Study Report

Phase Two Evaluation of the Paris Declaration

October 15, 2010

Submitted to:

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ACKNOWLEDGEMENTS

The Phase 2 Joint Evaluation of the Paris Declaration: Cambodia Country Study was conducted by a team of international and national evaluators working under the direction of the National Evaluation Coordinator and Secretary General of the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia (CRDB/CDC).

The evaluation team first wants to thank H.E. Mr. Chhieng Yanara, Secretary General of CRDB/CDC and his team for their excellent support to the evaluation. In particular, we want to mention Philip Courtnadge, Chou Heng, Ros Salin, and Heang Kanelle as well as Samoeun Chhin, Te Sothy, and Kim Lum Ang Bopata. The CRDB/CDC team was very supportive of the work of the evaluation team both in sharing their views and in organizing meetings for the evaluation including setting up and convening meetings of the National Reference Group which consists of major stakeholders from government, development partners and civil society.

The evaluation team wants to thank the members of the National Reference Group who took part in the evaluation for: providing documents; helping the evaluation team to link with the government, development partners and civil society partners; and, for providing input on evaluation questions, design of methodology and the evaluation report.

Very importantly we also want to acknowledge the time and interest of the 278 respondents who participated in the evaluation through a variety of modalities including individual and group interviews, tracer group and sample group meetings, or in the evaluation survey. Appreciation to the Multi-Donor Support Program for funding the evaluation must be noted. Thanks are due also to the Core Evaluation Team Support to the Cambodia Country Evaluation which included Bernard Wood, Julian Gayfer, Julia Betts and Marika Weinhardt.

The evaluation team leader would like to thank the evaluation team he led, which included Michael Miner and Melinda MacDonald, Associates of the Results Based Management Group (RBMG), and Arthur DeIvecchio and Vanly Virya from The Institute to Serve Facilitators of Development (VBNK). The evaluation team also wants to thank Director Graeme Storer and the staff at VBNK for their assistance working with CRDB/CDC and the team throughout the evaluation.

Finally, the evaluation team highly appreciated the readiness and interest which most people demonstrated during their participation in the evaluation. Their knowledge, insights, and views about all aspects of the Paris Declaration evaluation were very valuable to the evaluation team.

Werner Meier
Evaluation Team Leader

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ACRONYMS AND ABBREVIATIONS

AAA	Accra Agenda for Action
ADB	Asian Development Bank
AER	Aid Effectiveness Report
CAR	Council for Administrative Reform
CCC	Cooperation Committee for Cambodia
CDC	Council for the Development of Cambodia
CDCF	Cambodia Development Cooperation Forum
CG	Consultative Group
CMDG	Cambodian Millennium Development Goals
CPA	Country Programmable Aid
CPIA	Country Policy and Institutional Assessment
CRDB/CDC	Cambodian Rehabilitation and Development Board / Council for the Development of Cambodia
CSO	Civil Society Organisation
D&D	Decentralisation and De-concentration
DAC	Development Assistance Committee
DP	Development Partners
EU	European Union
GAVI	Global Alliance for Vaccines and Immunisation
GDCC	Government-Development Partner Coordination Committee
GDP	Gross Domestic Product
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GNI	Gross National Income
GPs	Government Partners
H-A-R	Harmonization, Alignment and Results
HDI	Human Development Index (UNDP)
HHI	Hirschmann-Herfindahl Index
HSSP	Health Sector Support Programme
JMI	Joint Monitoring Indicators
LDC	Least Developed Countries
MA	Mine Action
MDG	Millennium Development Goals
MDSP	Multi-Donor Support Programme
MEF	Ministry of Economy and Finance
MfDR	Managing for Development Results
MoEYS	Ministry of Education, Youth and Sports
MOH	Ministry of Health
MOI	Ministry of Interior
MoP	Ministry of Planning
MoWA	Ministry of Women's Affairs
MRD	Ministry of Rural Development
MYIFF	Multi-Year Indicative Financing Framework
NGO	Non-Governmental Organization
NRM&L	Natural Resource Management and Livelihoods
NSDP	National Strategic Development Plan

ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PBAs	Programme-Based Approaches
PD	Paris Declaration
PSDD	Project to Support Democratic Development through Decentralisation and De-concentration
PEFA	Public Expenditure Financial Accountability
PFM	Public Financial Management
PFMRP	Public Financial Management Reform Programme
PIU	Project Implementation Unit
RGC	Royal Government of Cambodia
SOP	Standard Operating Procedure
SWiM	Sector-Wide Management
TC	Technical Cooperation
TSSLP	Tonle Sap Sustainable Livelihoods Project
TWG	Technical Working Group
UN	United Nations
WB	World Bank
WHO	World Health Organization

EXECUTIVE SUMMARY

Background

This Phase 2 Evaluation of the Paris Declaration - Cambodia Country Study - was conducted by a team of evaluators selected following an international competitive process. The integrated international and Cambodian team worked under the direction of the National Evaluation Coordinator and Secretary General of the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia (CRDB/CDC). The Evaluation Work Plan was prepared in January, 2010 and approved in February, 2010 in accordance with the Cambodia Country Evaluation Terms of Reference. This evaluation report is consistent with those terms of reference but also made every effort to integrate subsequent guidance issued by the Core Team for the Phase Two Evaluation of the Paris Declaration.

Evaluation Methodology

The Phase Two Evaluation of the Paris Declaration was summative and focused on the intended and unintended development outcomes, including poverty reduction, associated with implementation of Paris Declaration commitments. The three core evaluation questions were as follows:

- Q1: “What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?” (The Paris Declaration in context)
- Q2: “To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?” (Process outcomes)
- Q3: “Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results? How?” (Development outcomes)

These questions set out the cause and effect logic chain from the Paris Declaration in context, to the evolving aid architecture and delivery processes, and through to the achievement of development outcomes. A Diffusion/Contribution Model was developed for this evaluation to guide data collection and analysis along that logic chain. The evaluation methodology designed to operationalise the Diffusion/Contribution Model used seven lines of evidence: 1) document/literature review; 2) sample of 10 development investments from the health and rural development sectors; 3) nine sample project group discussions involving 108 participants; 4) four Paris Declaration implementation tracer studies including 39 participants; 5) two online surveys, one specifically for the targeted sectors and one for the general development stakeholders answered by 70 respondents out of 215 surveyed (32% response rate); 6) 2006-2008 PD Monitoring Survey for Cambodia; and, 7) attendance at the second of three CSO dialogue meetings including 35 CSOs, 22 development partners and 4 government representatives.

Drawing on the seven lines of evidence and the 278 people consulted, the evaluation carried out a content analysis of the associated data sets. Each of the 5 team members was responsible for specific lines of evidence and for compiling data and writing sections of the report. Key points were reviewed and sources triangulated to ensure that findings and conclusions were not drawn from only one uncorroborated source but rather reflected the findings of several lines of evidence. In writing the report, the evaluation team looked at *contributions* towards development outcomes rather than trying to focus on finding evidence of attribution. The team also tried to ensure that findings, conclusions and recommendations were viewed through the lens of the local context in Cambodia.

Evaluation Findings

The Paris Declaration in Context (Findings 2 – 10)

Cambodia's participation in OECD/DAC-sponsored aid effectiveness work dates back to 1998 and continues to the present day as a member of the Working Party on Aid Effectiveness. Prior to the Paris Declaration there were development policies and a variety of reform efforts to improve aid effectiveness which have since been strengthened partly due to the influence of the Paris Declaration. Examples such as the National Strategic Development Plan, Government Development Partner Coordination Committee, Technical Working Groups, and Cambodia Development Cooperation Forum have provided the guidance and opportunities for all stakeholders to engage in a consensus building process to address development issues. While this has helped strengthen Cambodian leadership capacity and ownership of the development process at the national level, weak human resource and institutional capacities of line Ministries, along with a lack of transparency in governance practices continues to hamper the pace of development. All stakeholders have deepened their engagement to the Paris Declaration principles however development partners **are** often caught between working responsively with the government and responding to the priorities of their head offices. While the Paris Declaration and Accra Agenda for Action can be attributed with the increased inclusion of CSOs in the aid effectiveness process, the same cannot be said for their influence on non-ODA cash flows which are increasingly important sources of revenue that contribute significantly to Cambodia's development. In the Cambodia context, the Paris Declaration has served less as a catalyst for change but moreover as a reinforcing influence for advancing aid effectiveness reforms, albeit with uneven success.

Process outcomes (Findings 11 – 21)

The implementation of public sector reforms designed to enhance the enabling environment for development in Cambodia has proven to be challenging. The government is making serious efforts to improve accountability to parliamentarians and citizens. Inclusive and transparent development planning and aid coordination is well advanced. However, establishing monitoring systems, routine data collection and reporting on development outcomes at the national, sectoral and sub-national levels will require additional capacity building. Accountability relations with development partners have remained asymmetric as they continue to exercise considerable control at the local level to ensure coherence with their development policies and compliance with their accountability procedures, disbursement targets, and results reporting requirements all of which tend to drive the partnerships and the selected aid delivery modalities. There is also a general reluctance to use programme-based approaches, country systems and local implementation structures due to the slow pace of public sector reforms which has contributed to a high degree of fragmentation in aid delivery. Although accepted as necessary in the medium term, the use of technical cooperation to build human, institutional and system-wide capacity at all levels has been suboptimal, subject to debate and competing interests. Further efforts by both the government and its development partners to exert more effective ownership and management of technical cooperation resources will be key to the successful and timely implementation of public sector reforms.

Development Outcomes (Findings 1, 22-28)

The Paris Declaration has had substantial value in building of both formal and informal networks through the participation of all stakeholders in aid coordination mechanisms which are now an important and sustainable part of the aid architecture. These platforms for engagement have been used to carry out advocacy, education and collaboration on best practices in development, e.g., pro poor strategies and gender mainstreaming which has fostered greater buy-in from key line ministries, development partners and civil society organisations. At the same time, social capital has been positively

influenced at all levels from the national through to the project level, but progress has been understandably incremental and uneven especially among line Ministries. While results-based approaches have begun to enter the development lexicon, systems and working practices have not yet matured to the level where they are routinely incorporated into macro, sector and project-level work. The government has initiated concerted efforts to implement sector wide management and sector wide programme approaches for the benefit of both the health and rural development sectors which pre-date or were contiguous with the advent of the Paris Declaration. At the development investment level it does not appear that the Paris Declaration has had much influence on the majority of development partners. The large proportion of discrete projects, particularly free-standing technical cooperation, with small budget allocations undoubtedly places a heavy administrative burden on government partners and funding recipients, including civil society organisations. The evaluation's assessment of the implementation of the Paris Declaration principles on a sample of 10 development (project) investments indicates that the development results are more relevant and significant when all the principles are applied in the context of a multi-donor programme-based approach. Some projects in the sample generated significant poverty reduction outcomes using pro poor programming strategies that have made sustainable improvements in the lives of the targeted communities and vulnerable populations. The evaluation however found no evidence that development policy-makers, project implementers or community representatives associated the adoption of pro poor strategies, including the achievement of gender equality results for women and girls to the Paris Declaration or the Accra Agenda for Action.

Unintended Consequences and Lessons Learned

Several unintended consequences were identified that focussed on the perception that the Paris Declaration is a linear western approach which is not best suited to evaluating progress in Cambodia. In addition, three lessons learned which reinforce the above point indicate that: 1) learning needs to be based or rooted in past experience; 2) local facilitative leadership and ownership needs to evolve and be strengthened; and, 3) to succeed, capacity development needs to be system wide, integrated and holistic rather than piecemeal.

General Conclusions

The general conclusions presented below were derived from the evaluation report findings. Conclusions with regard to gender equality have been mainstreamed as appropriate.

The Paris Declaration Principles (General Conclusions 1-6)

The evaluation concludes that the Paris Declaration has been **relevant** in Cambodia where it has helped strengthen national systems and core public service reforms especially in the capital assisted by some programme based approaches and the application of joint monitoring indicators. With respect to **Ownership**, it has helped increase leadership capacity and ownership by the government and also assisted in some systemic strengthening in sectors but overall, projects, which are the main development partner modality, have not fostered local ownership. **Alignment** has only been partially successful since, although there has been an attempt by development partners to align their investments to Cambodia's development policy framework, few bilateral development partners have raised their fiduciary risk tolerance to use existing country systems. **Harmonization** has shown progress through some programme-based approaches in the target health and rural development sectors but the strong pressure for development partners to retain direct accountability has meant that there continues to be a high degree of aid fragmentation. **Managing for results** has not yet been institutionalized in Cambodia and the Paris Declaration has not had much influence in this regard. Finally, the Paris Declaration has also not been an important factor influencing **mutual accountability** at the investment level although there has been increased consultation and progress against targets at the national level.

Paris Declaration Effectiveness and the Aid Dialogue (General Conclusions 7-10)

With respect to **conflicts and trade-offs** among PD principles, the evaluation concludes that achieving country ownership is dependent on two main factors, the country's institutional and human capacity and the willingness of development partners to strengthen capacity where it's needed, i.e. to foster country ownership. With respect to the **contribution to aid effectiveness, results and sustainability**, the Paris Declaration has unquestionably had a positive influence particularly in terms of the development policy framework, aid coordination mechanisms, and sector wide management approaches which are significant and sustainable outcomes. With respect to the **burden of aid management**, the evaluation concludes that while the Paris Declaration has had a positive effect on the predictability of multi-year financing it has not influenced the still predominant use of the project delivery modality with its associated costs; Cambodian personnel and development partners all report increased time and effort. Finally, the evaluation concludes that there is **value added from the Paris Declaration** which has created the rationale and framework for enhanced dialogue on aid effectiveness that has added value to development strategies, aid coordination and reforms to support better aligned and harmonised aid delivery.

Key Messages for Stakeholders (General Conclusions 11 and 12)

The key messages for national stakeholders starts with the **government** needing to continue to assert leadership in implementing PD principles and developing country systems and capacity at the national, sub-national and commune levels as well as involving civil society organisations and the private sector. The key message for **civil society organisations** is to increase their involvement and participation in national networks while at the same time involving their grass roots as much as possible. The message for other national stakeholders such as the **private sector** is simply to get involved. With respect to **development partners**, the key message is to place more emphasis on working together using sector wide management approaches, multi-donor programme-based approaches with pooled funding mechanisms and shared accountability for achievement of development results. The key message to **emerging donors and global funds** is that they need to become more integrated into the aid architecture and take part in the aid coordination mechanisms, joint efforts to monitor and assess the implementation of the Paris Declaration and the achievement of development results so that their efforts can be aligned with those of national stakeholders and harmonised with other development partners.

The Future (General Conclusion 13)

In the new reality, there is increased opportunity for Cambodia to engage with non-traditional and "emerging donors" through funding which includes the private sector and global fund support. The key for future success appears to be a wide range of stakeholders working together using integrated approaches that are consistent with Paris Declaration principles and address the new challenges and opportunities.

Recommendations

The following recommendations relate to the common and country-specific questions. They are addressed to: the Paris Declaration Secretariat, to all development partners, and to each of the three key stakeholder groups. They have a twofold purpose:

- First, to underline what should continue to be done and what should be built upon; and
- Second, to describe what each stakeholder group needs to clarify, improve and strengthen so that the Paris Declaration principles can continue to provide an ongoing framework to achieve improved aid effectiveness up to, and beyond, the end of 2010.

Recommendation #1 to the Paris Declaration Secretariat: That the principle of ownership be strengthened, as the enabling condition and driver for the implementation of the remaining principles and commitments, given its dependency on existing capacity to exercise it and the willingness of donors to support capacity development efforts.

Recommendation #2 to the Paris Declaration Secretariat: That gender equality principles and mainstreaming be fully integrated into future iterations of the Paris Declaration since it is widely recognised to have beneficial effects on aid effectiveness and the achievement of development results.

Recommendation #3 to all Partners: That all the partners in Cambodia sustain their efforts to improve aid effectiveness by strengthening partnerships at all levels and increasingly focusing on the investment level by optimising the value of aid coordination mechanisms, i.e., Technical Working Groups as a forum for ensuring adherence with the PD principles and commitments.

Recommendation #4 to the Royal Government of Cambodia: That the National Capacity Development Strategy advocate the increased use of multi-donor pooled funding for free-standing technical cooperation at the national and sub-national or sector levels to strengthen the public management systems of the central government, line Ministries and their institutions.

Recommendation #5 to Development Partners: That development partners support the Royal Government of Cambodia with free-standing technical cooperation basket funding at the national and sub-national or sector level to support capacity development of country systems.

Recommendation #6 to Civil Society Organisations: That civil society organisations continue to develop their capacity as implementing organisations, take greater advantage of the opportunities to participate in aid coordination mechanisms, monitor their commitments, and improve the availability of information on CSO development activities and results.

A INTRODUCTION

1.1 BACKGROUND

The Paris High Level Forum was attended by Heads of State, Ministers and development officials from 91 countries, 26 donor organizations and partner countries, as well as civil society organizations and the private sector. On March 2, 2005, they endorsed the *Paris Declaration on Aid Effectiveness*, to which they committed their countries and institutions. It was follow-up to the Declaration made at the High-Level Forum on Harmonization in Rome (February, 2003). In the spirit of mutual accountability, partner countries and donors made commitments around the five key principles of effective aid delivery practices: ownership, alignment, donor harmonization, managing for results, and mutual accountability.

This Phase 2 Evaluation of the Paris Declaration – Cambodia Country Study was conducted by a team of evaluators selected subsequent to a competitive process and working under the direction of the National Evaluation Coordinator and Secretary General of the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia (CRDB/CDC). The Evaluation Work Plan was prepared in January and approved in February 2010 in accordance with the Cambodia Country Evaluation Terms of Reference. This evaluation report is consistent with those terms of reference while making every effort to integrate the subsequent guidance issued by the Core Team for the Joint Evaluation of the Paris Declaration, Phase2.

1.2 THE PARIS DECLARATION AND ACCRA AGENDA FOR ACTION: ENGAGEMENT OF CAMBODIA

The Paris Declaration (PD) went beyond a mere statement of principles and commitments. It laid down a practical, action-oriented roadmap to improve the quality of aid delivery accompanied with both a monitoring and evaluation strategy.

The First Phase Evaluation of the Paris Declaration conducted in 2007-08 focused on implementation processes, outputs, changes in government, donor and civil society behaviour, as well as lessons learned which were documented in the Synthesis Report presented at the 3rd High Level Forum in September 2008 in Accra, Ghana. This Phase 2 Evaluation of the Paris Declaration in Cambodia will be submitted by mid-September 2010 in preparation for presentation of the Synthesis Report at the 4th High Level Forum in Korea in 2011.

The Accra Agenda for Action (AAA) identified a number of commitment areas requiring particular attention in order to: 1) strengthen country ownership, 2) build more inclusive partnerships and 3) better manage for development results. Although the implementation of commitments made in Accra is not the focus of this evaluation, these 3 key commitment areas are discussed in this evaluation report.

However, many positive initiatives by development partners and the government in Cambodia pre-date the Paris Declaration and the Accra Agenda for Action. Specifically, since 1998-99, Cambodia had been one of 14 countries in the OECD (Organization for Economic Cooperation and Development) DAC (Development Assistance Committee) Working Group on Aid Effectiveness. They also participated in the OECD-DAC Survey in Harmonization and Alignment in 2004. We are also mindful of the results of the 2002 needs assessment survey which was commissioned by the OECD/DAC and conducted in 14 partner countries of which Cambodia was one. "This survey consulted a large number of partner country counterparts on the burdens they experience in managing aid and asserting national ownership."¹ The survey findings identified the following concerns in order of priority: 1) donor driven priorities and systems; 2) difficulties with donor procedures; 3) uncoordinated donor practices; 4) excessive demands on time; 5) delays in distribution; 6) lack of information; and 7) demands beyond national capacity.

Cambodia's participation in OECD/DAC-sponsored aid effectiveness work therefore dates back to 1998 and continues to the present day as Cambodia is a member of the Working Party on Aid Effectiveness. In addition, Cambodia has been a member of the Joint Venture/Task Team that supports the Paris Declaration Monitoring Survey and has been active in global and regional groups engaged in work on division of labour, mutual accountability, aid information management systems, capacity development, managing for results and South-South cooperation. Cambodia has therefore been very close to the centre of the policy dialogue with respect to pre- and post- Paris Declaration initiatives which has enabled Cambodia to influence this dialogue as well as benefit from it.

1.3 PURPOSE AND SCOPE OF THE PHASE 2 EVALUATION

This Phase 2 Country Evaluation Study focused on the achievement of development outcomes attributable to the implementation of the PD while taking into consideration the country context and the factors and forces that may have enabled or inhibited improved aid effectiveness and achievement of development results.

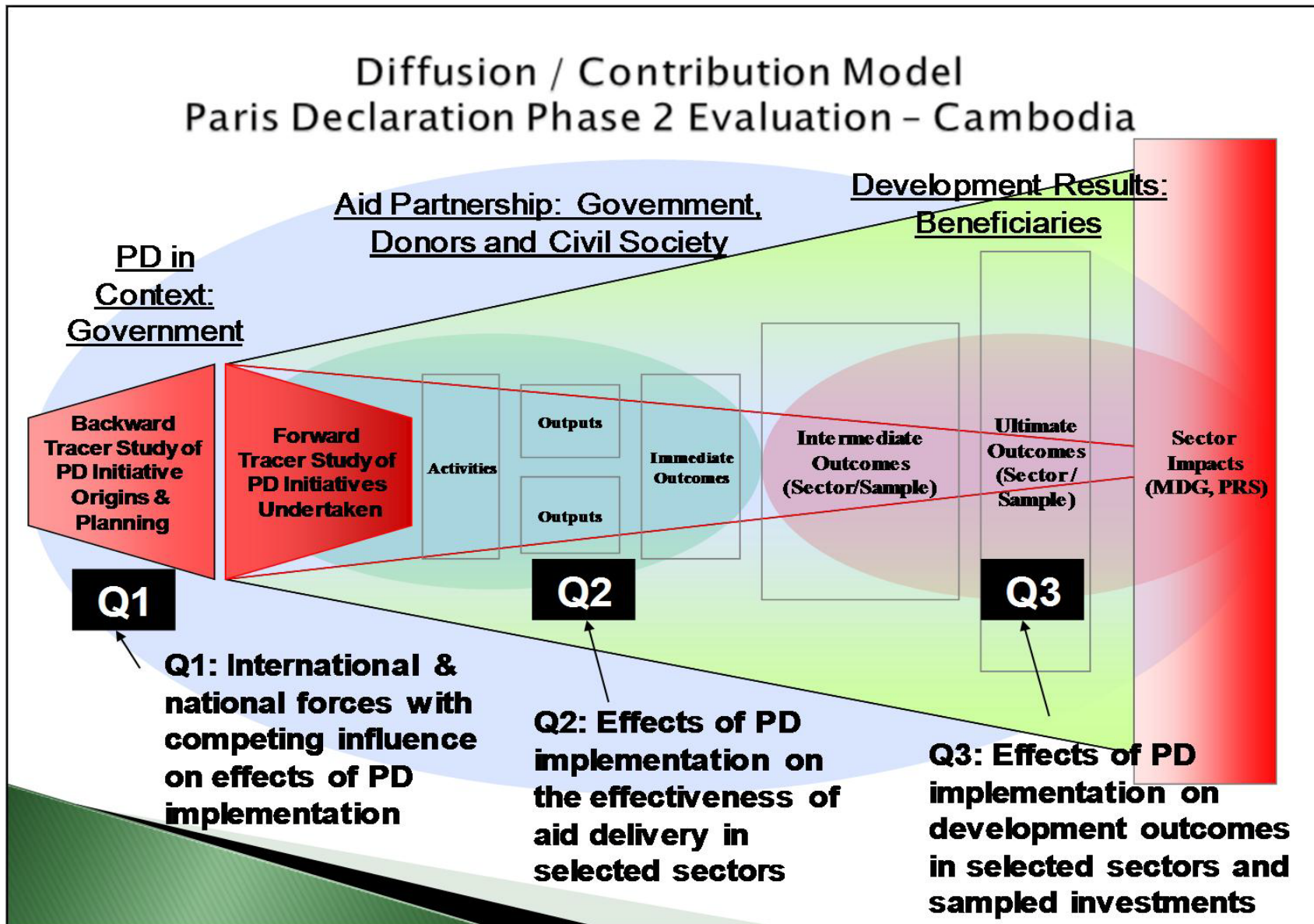
The evaluation was mindful of this context when assessing the effect that the implementation of the Paris Declaration commitments had on intended and unintended development outcomes, including poverty reduction, and opted for a contribution analysis approach rather than attempting to demonstrate attribution. The three core evaluation questions, upon which the Phase 2 Evaluation Matrix was structured, allowed the evaluation to apply the contribution analysis approach and cause and effect logic chain from the PD, to reviewing the evolving aid architecture and delivery processes and the level of achievement of development outcomes.

The three core evaluation questions which form this logic chain are as follows:

- Q1: “What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?” (The PD in context)
- Q2: “To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?” (Process outcomes)
- Q3: “Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results? How?” (Development outcomes)

The Diffusion/Contribution Model (Figure 1 below) illustrates the evaluation team’s understanding and approach to the evaluation mandate and its complexities. The effects of PD initiatives in any given development country context are diffuse across a broad range of stakeholders situated along the logic chain represented by the three core evaluation questions. Assessing contribution required the evaluation to collect multiple lines of evidence on each evaluation question in sequence with more focused “tracer sectors” and sampled development investments. The evaluation team drew on seven different ‘lines of evidence’ as described in methodology section 1.5 below from which the team compiled findings, conclusions, lessons-learned and recommendations.

Figure 1: Diffusion / Contribution Model



1.4 APPROACH AND MANAGEMENT OF THE EVALUATION

The Cambodia Country Evaluation Study was the responsibility of the Secretary General of the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia who is the National Evaluation Coordinator. He and his team were responsible for managing all aspects of the evaluation process including: setting up and convening meetings of the National Reference Group which consists of major stakeholders from governments, development partners, and civil society; recruitment of consultants; reporting on progress; quality control; and assuring that the evaluation meets DAC standards.

The National Reference Group (NRG) had the responsibility to: serve as a resource to the evaluation including providing documents to the evaluators; helping to link government, development partners and civil society; commenting on criteria for consultants, evaluation questions and design of methodology and on drafting evaluation findings, conclusions and recommendations.

The evaluation team which comprised Results Based Management Group, a Canadian management consulting firm, and VBNK (The Institute to Serve Facilitators of Development), a Cambodian non-governmental organisation, worked closely with CRDB/CDC throughout the evaluation.

1.5 EVALUATION METHODOLOGY

The methodology was designed to operationalise the Diffusion/Contribution Model to address the three core evaluation questions contained in the Evaluation Matrix for the Cambodia Country Study (See Annex A of the Technical Volume). In total, 278 respondents, in a variety of modalities, i.e., individual and group interviews, surveys etc. participated in the evaluation (plus meetings with CRDB/CDC and the National Reference Group). Data was collected on each of the 3 core questions (and the sub questions in the Evaluation Matrix including those requested by Cambodia), using the seven multiple lines of evidence described below:

1. **Document/Literature Review:** Content analysis was conducted on 45 documents from CRDB/CDC including the Cambodia Official Development Assistance (ODA) Database, as well as an analysis of the most relevant statistical data, i.e., NSDP (National Strategic Development Plan) Reports, Sector Strategies, and CMDG (Cambodian Millennium Development Goals) Reports (Please refer to Appendix A: Reference Documents in this report);
2. **Sample of Development Investments:** Ten development (project) investments from the health and rural development sectors were selected using preselected criteria. A project profile was developed for each project based on extensive documentary research of performance and progress reports (Please refer to Annex C: Ten Sample Project Profiles in the Technical Volume);
3. **Sample Project Group Discussions:** 108 participants (26 women) participated in nine group discussions on the implementation and performance of sample projects. These discussions with 86 project implementers and 22 beneficiaries of the NRMLP project (Natural Resource Management and Livelihoods Project) in Kep and Kampot provinces) were conducted using the 'Most Significant Change' technique. A group discussion protocol based on the three core questions and the sample project profile was used to facilitate discussions;
4. **Tracer Studies:** Four Paris Declaration implementation tracer studies were conducted involving four group discussions with a total of 39 participants. The discussions involved a *backward*

tracking and forward looking analysis on each of the groups of PD implementation initiatives. (Please refer to Annex D: Four Tracer Study Summaries in the Technical Volume);

5. **Online Survey:** Two online surveys were administered, one specifically for the targeted sectors and one for the general development stakeholders. 70 responses were received out of a possible 215 invitees for a response rate of 32%. Respondents included 26 government partners, 29 development partners and 15 civil society organisations. (Please refer to Annex E: Online Survey Methodology and Summary of Findings in the Technical Volume);
6. **2006-2008 PD Monitoring Survey:** Data for Cambodia was used to conduct a comparative analysis on key indicators (Please refer to Annex F: Paris Declaration Monitoring Survey Data in the Technical Volume); and,
7. **Civil Society Organisation Dialogue:** The second of three CSO dialogue meetings was attended in March 2010. It included 35 CSOs, 22 development partners and 4 government partners totalling 61 participants. The dialogue focused on CSO concerns about the PD, and in particular, paragraph 20 of the AAA which focuses on how CSO's can apply PD principles, promote CSO-led multi-stakeholder processes which promote CSO development effectiveness and provide an enabling environment for CSOs.

Drawing on the seven lines of evidence, the evaluation carried out a content analysis of the associated data sets. Then key points were reviewed and sources triangulated to ensure that findings and conclusions were not drawn from only one uncorroborated source but rather reflected the findings of several lines of evidence. In writing the report, the evaluation looked at *contributions* towards development outcomes rather than trying to focus on finding evidence of attribution. The team also tried to ensure that the findings, conclusions and recommendations were viewed through the lens of the local context in Cambodia.

While the major focus was on overall perceptions of the PD, there was also a focus on two sectors – the health sector and the rural development sectors. With this in mind, the 10 sample projects were selected from these two sectors. These sample projects were selected to ensure the following: different types of assistance; a variety of development partners and beneficiaries; and their length of being operational. The requirement that they have readily accessible outcome achievement data in annual progress/performance reports or completed evaluation reports was modified since there were an insufficient number of development investments that could meet the criterion. However, there was plenty of data which indicated progress towards achievements that the evaluation felt needed to be acknowledged in order to provide an accurate picture of the state of PD/AAA implementation in Cambodia.

The only limitation to this approach was that China, which is a new major supporter of financial assistance to Cambodia, does not support the health or rural development sectors. The growing relevance of assistance from China as well as South Korea is important to bear in mind, since it may have future implications with respect to the continued implementation of PD/AAA.

1.6 LIMITATIONS AND CONSTRAINTS

Cambodia has a rich history of initiatives undertaken to improve aid effectiveness and has put in place an effective system for making the data accessible, i.e., a comprehensive Cambodia ODA Database. The CRDB/CDC was very accommodating in providing the available data in a timely manner. Nevertheless

there were some limitations and constraints to this evaluation which were as follows: 1) relatively short completion time frame; 2) cancellation of several planned meetings with sample projects due to challenges of government and beneficiaries attending which resulted in unbalanced input with some projects having high input and others very low; 3) reliance on only the most recent PD Monitoring Survey data from 2007; and, perhaps most significantly; 4) limited outcome related data on the sampled projects.

In the process carried out by the evaluation to identify ten sample development (project) investments, it was discovered that there were varying views about what constituted relevant and available documentation on tracking contributions to expected outcomes. This challenge was related to how project outcomes were specified in project appraisal documents and the tendency for annual progress reports to consistently document data on progress towards output achievement and budget inputs. Often there were no sections on contributions towards achievement of project outcomes. A related constraint was that the procedure for accessing reports was unclear, e.g., online, telephone, by official letter, and the reporting language was not always in English or Khmer. Finally, although it was reported that some project evaluations were conducted, there was no standard practice on making them available in order for the evaluation to assess the achievement of development outcomes and impact. The lack of outcome related data being available is a fundamental finding from this evaluation.

FINDING 1:

Results-based approaches have begun to enter the lexicon and practice of development cooperation in Cambodia. However, systems and working practices have not yet matured to the level where results-based approaches are routinely incorporated into macro, sector and project-level work. This means that mechanisms to link aid interventions to development results routinely are not robust, undermining efforts at the country level to achieve development goals as well as the efforts of this evaluation to associate improved aid practices with development outcomes.

B. COUNTRY FINDINGS ON THE COMMON EVALUATION QUESTIONS

1. KEY FACTORS RELEVANT TO THE IMPLEMENTATION OF THE PARIS DECLARATION IN CAMBODIA

Q1 “What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?” (The Paris Declaration in context)

1.1 DEVELOPMENT CONTEXT

A summary description of the main characteristics of the development context in Cambodia is presented in the Box 1 below and described in greater detail in Annex G of the Technical Volume.

Cambodia has overcome many of the immediate challenges of the post-conflict era as it is becoming more politically stable and heading towards greater political and economic transformation. Examples include: national and local multi-party elections; a free market economy; integration into the world economy; and financial and structural reforms. However these reforms are carried out by weak institutions implementing and enforcing reforms, while the economic growth and economic integration have not yet achieved fully satisfactory results for the most disadvantaged segments of the population.

Improving governance is critical in Cambodia which the Government has acknowledged by placing at the centre the RGC's Rectangular Strategy (the framework that guides socio-economic development). Formal and informal systems, based on hierarchy and cultural norms, co-exist in both the public and private sectors while an emphasis on stability acts as a brake on some reform processes that imply political or social risk. The RGC, however, remains committed to improving governance and addressing corruption: on June 2nd 2010 at the 3rd Cambodian Development Cooperation Forum, the Prime Minister “moved to assure international representatives and aid agencies that he was committed to deepening government reforms and fighting corruption”.²

Box #1: Characteristics of the Cambodian Development Context

1. **Economic trends** – Robust growth in Gross Domestic Product (GDP) of 6% from 1993 to 2003 and 11% between 2004 and 2007 but 0.1% in 2009 (due primarily to global crisis) with 5.0% projected for 2010. Gini coefficient of 40.7 (UNDP HDR 2009);
2. **Resource mobilization** – Total Official Development Assistance (ODA) disbursements in 2009 were USD 989.5 million which represented 9% of Gross Domestic Product in Cambodia. Grant support was two-thirds of total ODA disbursements. New investments from emerging donors (i.e. China represented USD 114.7 million in 2009, or 9%);
3. **National development strategies** – The third five year National Strategic Development Plan Update for 2009-2013 is the overarching development policy document;
4. **Millennium Development Goals** – based on data presented to the 3rd CDCF meeting by RGC (June 2010) Cambodia is on-track to meet MDGs 4 and 6. 1 and 3 are deemed attainable while 2, 5 and 7 are considered to be off-track.
5. **Governance**– In 2007, Cambodia ranked low on governance dimensions except for improved political stability in the Kaufmann Study (2007); it ranked low on World Bank ease of doing business study (143 of 175); and, it ranked low on the Transparency International index (166 of 180);
6. **Capacity development** – Weak public sector management capacity especially mid and lower levels of public service nationally and in the provinces;
7. **Human development indicators** –Poverty as measured by the proportion of the population living on less than \$1 / day decreased from 36% in 1997 (source RGC Poverty Assessment 1999) to 30% in 2007 (source NSDP 2010), declining 1percentage point per year between 2004 (34.7%) and 2007. HDI measurement of 0.593 (ranking 137 of 182 countries);
8. **Social indicators** – Half of the population is under 20 years of age, gender inequalities persist but women’s health (excluding maternal mortality figures) has improved;
9. **Health sector** –Significant improvements were achieved in health, except for the maternal mortality rate, while key challenges remain in human resource management and service delivery; and,
10. **Agriculture and Rural Development** – GDP share increased from 30.8% in 2005 to 32.4% in 2008 with agricultural growth rates of more than 5% a year between 2006 and 2008. Challenges remain in land ownership and titling, low levels of skills in the workforce, and the lack of an adequate safety net to shield the rural poor from shocks and encourage entrepreneurship and risk taking.

FINDING 2:

While Cambodia has experienced stability and peace only for the last decade, this has provided a foundation to support economic growth and a decrease in poverty. Yet weak human and institutional capacity in the public sector to follow through on reforms continues to hamper the pace of development. Governance practices still lack transparency and invite allegations of corruption which are also detrimental to the development process.

1.2 PRE AND POST PARIS DECLARATION TRENDS

1.2.1 Influence of the Paris Declaration on ODA

Backward tracking tracer studies conducted by the evaluation reveal a long history of initiatives undertaken in Cambodia to improve aid effectiveness that pre-date the Paris Declaration (PD). Given the importance of ODA, the Royal Government of Cambodia (RGC) made improving aid effectiveness a high priority and in 1994 created the Cambodian Rehabilitation and Development Board (CRDB) at the Council for the Development of Cambodia (CDC) as the in-country aid coordination focal point. The Consultative Group mechanism between the RGC and its development partners has been active since 1996. Consultations were originally held outside Cambodia chaired by the World Bank but since 2002 have been co-chaired by the RGC and the World Bank and held in Phnom Penh. To further reflect local ownership, the RGC transformed the Consultative Group meeting into the Cambodia Development Cooperation Forum (CDCF) chaired only by the RGC in 2007 to bring government, development partners and civil society organisations (CSOs) together to dialogue on progress and challenges in national development public policy processes.

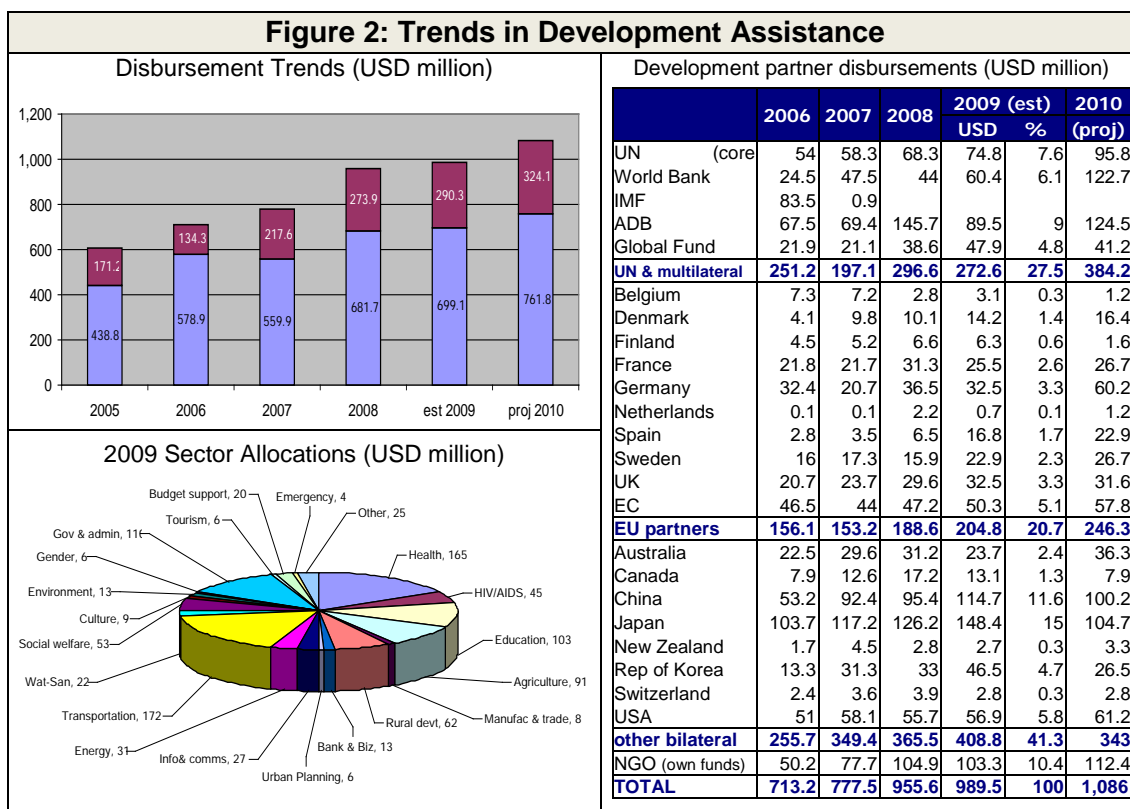
Since 1999, the RGC has been one of 14 partner countries in the OECD-DAC-sponsored aid effectiveness process and is now a member of the Working Party on Aid Effectiveness. In 2002 the RGC presented its overall vision including making a keynote address in 2003 at the Rome High Level Forum on Harmonization. Then the following year they signed, along with their development partners, the Joint Declaration and Action Plan on Harmonization and Alignment (December 2004). The CRDB mandate was further strengthened by the Strategic Framework for Development Cooperation Management (2005) supported by the Multi-Donor Support Program (MDSP).

These initiatives, which pre-date the PD, have contributed to the establishment of a number of reform councils (e.g. the Council for the Development of Cambodia which manages private and public investment; the Council for Administrative Reform which manages the civil service; and the Council for Agriculture and Rural Development). Other initiatives include sectoral and cross-sectoral technical working groups, in which development partners have an opportunity to participate in policy discussions, e.g., public financial management reform, public administration reform, decentralization and de-concentration, sector reforms, etc. Other post-PD implementation initiatives have followed in the same tradition with the objective of improving aid effectiveness including: strengthened national planning processes, e.g., National Strategic Development Plan (2006-2010 and 2009-2013) and the introduction of programme-based approaches to aid delivery designed to implement national programmes, including commitments to the Cambodian Millennium Development Goals. The documentary evidence supported by the evaluation's online survey data, and that collected in the four tracer studies, clearly points to the importance that the RGC placed on improving aid effectiveness prior to the Paris Declaration.

After the Consultative Group meeting in 1999, working groups of government and development partners had been established in several thematic areas and were restructured following the CG meeting in 2004 into Technical Working Groups (TWGs), consisting of representatives of the RGC, its development partners and CSOs to share information, foster dialogue and pursue action oriented targets within specific sectors. In each of the Technical Working Groups (TWG), now numbering 19, the RGC Chair is the only one with decision-making power, assisted by development partners who act as facilitators. The 2007 TWG Guidelines describe TWGs as technical groups which input into decisions that are ultimately made by the government; they are not executive bodies and do not substitute for elected government or appointed officials. This aid coordination mechanism has evolved as a means of collaboration, consultation and cooperation at the sector level and also as a place to discuss wider issues such as Partnership and Harmonization (P&H) for which a Technical Working Group was set up in 2004.

All stakeholders confirmed in their online survey responses and interviews that these coordination mechanisms have strengthened working relationships with respect to planning Cambodia's ODA.

In terms of disbursement trends of ODA in Cambodia, the actual amounts are increasing (713 Million USD in 2006 up to 989.6 Million USD in 2009). Projected amounts for 2010 of nearly USD 1.1 billion include the UN and Multilaterals accounting for 27.5 % (384 Million USD), EU partners totalling 20.7% or 246.3 Million USD, other bilateral partners 41.3% (343 Million USD) which includes the two largest single donors (Japan 15% and China 11.6%) and NGOs own funds totalling 10.4% (112.4 Million USD). The largest sectors include the target sectors for this evaluation - health and rural development. The top five sectors in terms of sector allocations are: Transportation (172 Million USD); Health (165 Million USD); Government and Administration (110 Million USD); Agriculture (91 Million USD) and Rural development (62 Million USD).



Source: Cambodia Aid Effectiveness Report 2010

Emerging donors, such as China and South Korea, are becoming increasingly important contributors to Cambodia's development, as the above table demonstrates. Their support is mainly concentrated in supporting the provision of public infrastructure (roads, bridges and power). Although OECD notes that China and South Korea adhere to the Paris Declaration, it is unclear how much influence the PD is having on their development efforts in Cambodia. A challenge with respect to assessing the effect that these emerging donors are having is, in the case of China, their absence in TWGs and coordination meetings, although information on their projects is publicly available via the on-line Cambodia ODA Database maintained by CRDB/CDC. South Korea is active in the Infrastructure and Regional Integration TWG and attended donor meetings as well as the GDCC and CDCF. However, the evaluation tried to obtain further information from both partners through interviews and the on-line survey but was unable to do so. From what could be obtained from interviewing other development partners and stakeholders, it appears that the trend with respect to emerging donors is that they tend to stress south/south

cooperation, local stability and strategic economic interests as the primary rationale for their development investments and their aid is not considered “untied”. The evaluation was unfortunately unable to access sufficient additional data on emerging donors to provide additional analysis.

The RGC position is that this support is consistent with general principles, if not the prescribed practices, of the PD/AAA, including principles such as national ownership, leadership and alignment. RGC also emphasises that Cambodia’s development needs require that resource mobilisation efforts explore all opportunities for financing the NSDP but that this financing must be consistent with RGC’s own policies and priorities. Benefits of these approaches include: a) providing Cambodia with additional availability of financing for development beyond traditional ODA; b) increased possibility of more aid partnership agreements through CSOs and private sector companies in the country expanding the possible avenues for development assistance and stakeholder input; c) increased availability of funds for public interest issues, i.e., HIV AIDS, eradication of malaria etc; and d) help in consolidating Cambodia’s independence and sovereign integrity. Their financial influence is clearly significant but it appears that they have little impact on working arrangements between RGC and other development partners. The longer-term impact of the changing aid context on the aid effectiveness agenda, as represented by the PD/AAA, is still unclear.

The other main change in aid financing trends has been the emergence of parallel global funds. In Cambodia the Global Fund to Fight AIDS, Tuberculosis and Malaria has become a significant donor in the health sector. Recent research on the health sector in Cambodia³ finds signs that such funding has contributed to strengthening the country’s health system and achieving positive results. Yet, global programmes have also contributed towards a growing misalignment between donor support and stated government priorities (i.e. a potential over-funding of HIV/AIDS relative to other health issues) and may undermine broader health systems development. Efforts to coordinate with other development partners have mitigated the transaction costs of parallel arrangements to some extent.

Other forms of finance include foreign direct investment which is an engine for economic and social development and is becoming increasingly strategically important as a source of financing for Cambodia, i.e., from China or South Korea which are significant sovereign and private investors as well as providers of ODA. Most FDI to date has been directed to the garment sector (the main export earner), tourism (an increasingly important part of the service sector) and agriculture (the main employer). Natural resource extraction is thought to have significant potential, including off-shore oil and gas, but these are largely unquantified at present and have yet to become significant contributors to growth or employment. Remittances are also an important source of financing for development since they boost family incomes and consumption and reduce pressure on families.

Sources of Financing	2006	2007	2008	2009
Private investment (% GDP)	14.8	14.7	13.7	13.0
Domestic revenue (% GDP)	11.5	11.9	12.0	12.0
ODA (% GDP)	9.78	9.3	9.98	9.05
ODA (\$US M)	713.2	777.5	955.6	989.5
Private transfers (\$US M)	315	377	365	292
FDI (\$US M)	483	867	815	593

Source: IMF Article IV December 2009, RGC Cambodia AER 2010

While ODA is still important, as evidenced by the June 2010 level indicated by development partners (a little under USD 1.1 billion for 2010), other sources of finance not subject to Paris Declaration commitments, have taken on added importance in supporting the country’s development, particularly in spurring private sector growth. For the public sector, however, where revenue collection remains low as

a percentage of GDP and ODA typically accounts for half of the budget and upwards of 80% of public investment, aid is clearly a significant source of finance.

Other non-aid factors that are relevant to determining the 'place of aid' in Cambodia include the fact that the Government pursues a determined economic-growth focused development strategy linked to regional integration and often geared around international trade (in 2004 Cambodia became the second LDC to accede to the WTO). The discovery of oil and gas (the size of deposits has yet to be verified) also affects the relative importance of donor funding and its potential influence in the future. The global economic downturn has adversely affected Cambodia as its export industry (predominantly garments to US and Europe) and main foreign exchange earner (tourism), have been in decline. Both the RGC and its development partners have therefore turned their attention to supporting a return to growth and to developing a comprehensive system of social protection.

FINDING 3:

The PD helped Cambodia to consolidate pre-existing policies and priorities to manage aid effectiveness and bring together and strengthen a variety of reform efforts and initiatives that had been underway for several years. Both ODA (subject to PD principles) and non-ODA cash flows are important sources of revenue which contribute to Cambodia's development, although the latter does not appear to be influenced by the PD. Looking forward, as ODA becomes more involved in private sector-related activity and efforts to sustain economic growth, the PD may become an additional factor that shapes the RGC-donor relationship as well as growth-related strategies.

1.2.2 Ownership by Cambodia

Documentary evidence and backward tracking tracer studies revealed that prior to 2004, there was an established mechanism for regular dialogue between RGC and the donor community in the form of the periodic high level Consultative Group (CG) meetings and a few working groups initiated and led by donors.⁴ Coordination and dialogue were not a routine part of daily work and not integrated with reforms or project implementation. In 2004, a high level Government Development Partner Coordination Committee (GDCC) was therefore established (with a Secretariat at CRDB) to coordinate the TWGs and facilitate resolution to issues identified by stakeholders. Since the PD, the RGC has utilized internal government structures and TWGs to coordinate aid and influence effectiveness; it now chairs the consultative meetings and leads the TWGs. The existence and high level of government participation with development partners and civil society organisations in the 12 sector TWGs and 7 cross-cutting themes demonstrates government leadership and ownership in setting the development agenda.

Further evidence of Cambodian (primarily Government) ownership includes a strengthened development policy framework reflected in the RGC Action Plan on Harmonization, Alignment and Results (H-A-R), as well as improved development planning tools, such as the Strategic Framework for Development Cooperation Management, the National Operational Guidelines and the application of sectoral planning exercises, that are reflected in the Cambodia National Strategic Development Plan Update (2009-2013). It is a single, overarching document containing the RGC's priority goals and strategies to achieve the Cambodian Millennium Development Goals and other socio-economic development goals for the benefit of all Cambodians. According to the Assessment of National Structures and Systems for Aid Implementation in Cambodia, "there are a set of interlocking country activities and documents that make up the Cambodia planning system."⁵

Prior to the PD, the RGC faced several challenges in terms of taking responsibility and leadership for important government functions and key institutional arrangements that would facilitate implementation of its development policies and plans. Based on the aforementioned lines of evidence,

as well as development partner interviews and online survey responses, the evaluation identified the following needs and changes which have been initiated:

- 1) There was a need to better capture, store, manage and make accessible statistical data on development investments. The Cambodia ODA Database was adapted in 2006 to support a single data-entry point for all assistance provided by development partners in Cambodia. It provides a practical tool to promote and monitor the alignment of ODA with the priorities of the National Strategic Development Plan (NSDP) and the aid management principles included in the RGC Action Plan on Harmonisation, Alignment and Results (H-A-R Action Plan). It has become an increasingly important tool for maintaining information to enhance coordination and assist in the aid effectiveness evaluation and monitoring of PD indicators. The structure of the data base is adjusted to emerging needs, such as the new module (2009) on 'missions', although this feature has not yet been well utilised by development partners.
- 2) There was a need to better monitor the implementation of development aid in Cambodia. Since then, JMI (Joint-Monitoring Indicators), have been developed and are being utilized by the RGC and the development partners;
- 3) There was a need to strengthen government sectoral plans and strategies and link them with one another. There was also a need to set medium-term targets and operational programming. Through the **Rectangular Strategy** and the **National Strategic Development Plan (NSDP)** the RGC has taken on these challenges. For example, there are various sectoral strategic plans and integrative plans, i.e., the Public Investment Program (PIP) linked with financial planning etc. These documents and planning activities have been developed to oversee preparation of medium term and annual plans and budgets in Cambodia and contain national and sector priorities for development and investment. Integrating and harmonising the budget, planning and aid mobilisation exercises remains somewhat challenging, however, and on-going PFM reform, together with work led by the Ministry of Planning, is attempting to formalise these processes at the central and sectoral levels;
- 4) There was a need to align aid and domestic revenues to RCG priorities (Ministry of Economy and Finance). This is still a work in progress since development partners continue to face pressures from their headquarters with respect to which areas of development aid they will fund and why. By all accounts, there has been progress on alignment, although, some development partners still infrequently use government systems, i.e., financial management and procurement systems; and
- 5) There was a need to empower other levels of government, beyond the central government, i.e., at the sub-national level, namely, provincial and commune levels. There have been a number of emerging gains through government reforms with respect to the decentralization and de-concentration (D&D) initiative especially in the areas of public finance and commune development planning. These include commune level targeted budget allocations which include village level input and financial administration by communes. These are designed to improve accountability and provide more avenues for sub-national discretion over funding and resource allocation.

All the above have contributed to the overall view by most stakeholders of improvement in the government led aid architecture which connects policy and sectors to implementation. Annex H in the Technical Volume presents a detailed chronology of key events affecting aid effectiveness prior to and since the advent of the Paris Declaration. The evaluation's findings are consistent with the Cambodia Evaluation of Aid Effectiveness which noted that the, *"RGC has taken a number of major steps to strengthen its ownership and leadership over the national development agenda by establishing the enabling policy and institutional mechanisms for effective aid delivery and management"*.⁶

FINDING 4:

The Royal Government of Cambodia's leadership capacity and ownership of ODA policy development, planning and coordination processes has been continuously strengthened prior to and since the advent of the Paris Declaration.

1.3 KEY ACTORS AND CHANGES IN DEPTH OF ENGAGEMENT

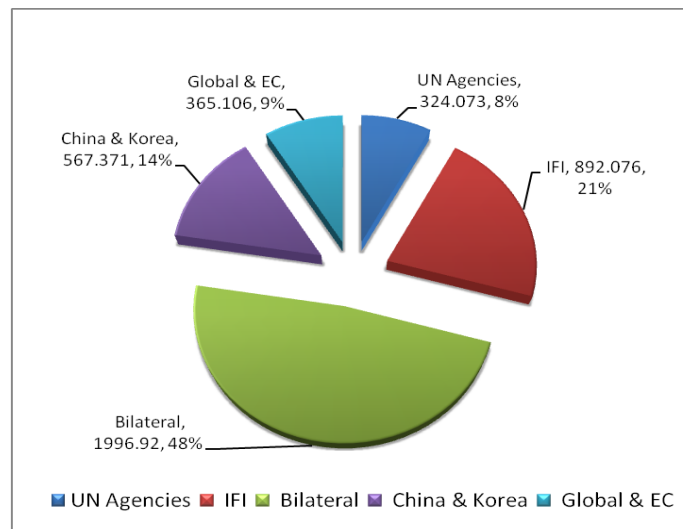
1.3.1 Key actors in the delivery of aid

The Government's development vision, to which aid is increasingly aligned, is embodied in the work of the Prime Minister, who is active in guiding the economy and the public sector. The Deputy Prime Minister (also the Minister of Economy and Finance) leads work on coordination with development partners in addition to leading on economic management and PFM reform. Implementation is led by the Secretary-General of CRDB/CDC (who has been in the position since 1994) and who is a technical expert on policy and strategy and also provides day-to-day leadership. The CRDB/CDC provides policy direction, support and coordinates initiatives at the sector level to build institutional capacity of key line ministries for aid coordination and leads programme reviews with individual development partners.

A wide range of approximately 40 bilateral and multilateral development partners are still the key actors in aid decision-making and delivery although this has begun to change. Over the years, there have been increased inputs from the government, in particular from sector ministries, into the aid policy and strategy of development partners. This has served as a framework for identifying priority areas for cooperation and resource allocation. At the sector level, closer engagement has also been important in decision making about the level of aid to respond to the needs and priorities expressed by the government. Coordination at the higher policy level, through the central coordination mechanism (the CDCF presided over by the Prime Minister and the GDCC chaired by the Minister of Economy and Finance) has also demonstrated the government commitment toward a more meaningful dialogue with its development partners in the area of aid and development partnership.

The 2010 Cambodia Aid Effectiveness Report provides detailed disbursement information by individual development partners, whose decisions are guided by the dialogue in Cambodia as well as by their own respective headquarters and capitals (see 1.2.1 for trends in ODA). The evaluation noted that Japan (15%), China (11.6%) and the Asian Development Bank (9%)⁷ have been the largest individual contributors since 2007, a trend which appears will continue based on 2010 estimated commitments. The World Bank's intentions to double its support for 2010 will also place it among this group of development partners. Figure 2 below provides another perspective when individual development partners are grouped by type. The preponderant weight of a large number of traditional bilateral development partners is worthy of mention.

Figure 3: ODA Disbursements by Type of Development Partner 2004-2009⁸



Civil society organisations are also making their roles increasingly important and felt especially in terms of being implementing agents of resources provided by development partners as well as through participating as national stakeholders in the development dialogue process. Their potential has been demonstrated by their substantive content suggestions and recommendations in the publication of the NGO Position Papers on Cambodia's Development 2009-2010 to the 3rd Cambodia Development Cooperation Forum, entitled "Monitoring the Implementation of the National Strategic Development Plan and the 2008 CDCF Joint Monitoring Indicators" (May 2010).⁹ There is an opportunity to promote their involvement in more government and donor dialogues as full partners. A large number of interviewees in the sample projects and in the tracer study groups indicated that the opportunity for consultation among key actors in Cambodia has improved substantially since the advent of the PD.

The 2010 Cambodia Aid Effectiveness Report notes that NGO "disbursement of core funds, i.e. excluding funds that are delegated to them by other development partners, amounted to USD 103 million in 2009, representing 10% of total aid. By far the greater share of NGO support is provided at provincial level, resulting in NGOs accounting for almost 20% of aid disbursements at sub-national level in 2009. NGOs' own resources were directed for the most part to health, accounting for more than 30% of core support in 2008 and 2009, followed by community & social welfare, and education. In addition to mobilising their own resources, NGOs play an important role in managing funds of development partners. In this implementing partner role, NGOs in 2008 and 2009 managed an additional USD 100 million."

Sector	2008						2009					
	NGO Core Funds		Development partner funding to NGOs		Total		NGO Core Funds		Development partner funding to NGOs		Total	
	USD	%	USD	%	USD	%	USD	%	USD	%	USD	%
Health	36.7	35.1	21.2	21.2	57.9	28.3	32.4	31.4	21.2	21.2	53.6	26.4
Community and Social Welfare	31.4	30.0	6.2	6.2	37.6	18.4	31.6	30.6	6.2	6.2	37.8	18.6
Education	26.8	25.6	6.9	6.9	33.7	16.4	27.5	26.7	6.9	6.9	34.4	16.9
Environment and Conservation	1.5	1.4	1.9	1.9	3.4	1.7	5.1	4.9	1.9	1.9	7.0	3.4
HIV/AIDS	5.2	5.0	18.5	18.5	23.7	11.6	3.1	3.0	18.5	18.5	21.6	10.6
Rural Development	1.3	1.2	6.9	6.9	8.2	4.0	1.4	1.4	6.9	6.9	8.3	4.1
Agriculture	1.2	1.1	2.6	2.6	3.8	1.9	1.3	1.3	2.6	2.6	3.9	1.9
Gender	0.2	0.2	1.9	1.9	2.1	1.0	0.3	0.3	1.9	1.9	2.2	1.1
Governance & Administration	0.2	0.2	20.0	20.0	20.2	9.9	0.1	0.1	20.0	20.0	20.1	9.9
Manufacturing, Mining Trade	0.0	0.0	9.1	9.1	9.1	4.4	0.0	0.0	9.1	9.1	9.1	4.5
Other	0.2	0.2	5.0	5.0	5.2	2.5	0.3	0.3	5.0	5.0	5.3	2.6
Total	104.7	100	100.2	100	204.9	100	103.1	100	100.2	100	203.3	100

Source: 2010 Cambodia Aid Effectiveness Report

FINDING 5:

Mechanisms such as the Technical Working Groups, the Government Development Partner Coordination Committee, and the Cambodia Development Cooperation Forum have created opportunities for all stakeholders to address development issues, air differences and build consensus on the best way to deliver aid effectiveness.

1.3.2 Changes in depth of engagement of government partners

The Government Development Partner Coordination Committee (GDCC) and Cambodia Development Cooperation Forum (CDCF) constitute the national system for dialogue on aid delivery. The GDCC has the mandate to discuss policy and review Joint Monitoring Indicators (JMI). Discussions of development policy issues and progress on the JMIs are also held during the 19 Technical Working Groups meetings which include the participation of development partners and some civil society organizations. One

challenge in terms of depth of engagement can be seen from reviewing the minutes of Technical Working Group meetings and the results of tracer study discussions. What surfaced was the need to clarify the roles of government and development partners to ensure that they can work together with minimal conflicts over power and influence. This issue was highlighted in the Cambodia Evaluation of Aid Effectiveness and still holds true, i.e., “The progress in acting on this growing sense of ownership, and using these new policies and processes to bring about the necessary changes in behaviour on both sides of the aid relationship is substantial but so far uneven”.¹⁰

The RGC has shown the depth of its engagement in updating its key vision statement – the Rectangular Strategy (2008) integrating into it the National Strategic Development Plan (NSDP) goals and indicators. But as the RGC and the World Bank’s global 2008 Aid Effectiveness Report have noted, there are challenges in terms of implementation such as aligning the Public Investment Program (PIP) and the Medium-Term Expenditure Framework (MTEF). The evaluation evidence, from tracer studies and development partner interviews, also points to challenges in linking sector level expenditure frameworks to the NSDP and to specific development investments. This work will be assisted as part of the PFM reform that focuses on integrating sectoral and macro resourcing frameworks. In general, the implementation of national-level aid delivery strategies at the sector level is constrained by low human resource capacity in government line ministries.

Nevertheless, three lines of evidence point to the stability of the government and its serious engagement with other actors as a positive factor promoting aid effectiveness. CSO participants in the 10 sample project groups and the tracer studies, supported by documentary evidence¹¹ point to enhanced opportunities created for multi-stakeholder input into project management and the increased likelihood of creating a successfully integrated approach to aid delivery.

FINDING 6:

The RGC consultative bodies and internal mechanisms now in place demonstrate important changes in the depth of engagement by government, which coupled with strong and stable political leadership, have enhanced the environment for effective delivery of aid in Cambodia, notwithstanding the continued need to strengthen planning and budgeting processes together with the internal human resource capacities and systems of line Ministries, as well as the legislative arm of government.

1.3.3 Changes in depth of engagement of development partners

Since the signing of the Paris Peace Accords in 1991, funding by development partners in Cambodia has provided a significant amount of support to Cambodia (i.e. 9% of GDP in 2009). In the past several years development partners have deepened their engagement in Cambodia through the various aid coordination mechanisms described in this report and participated in creating the Joint Monitoring Indicators and other joint mutual accountability mechanisms.

An important example of their increased depth of engagement was the establishment of the Multi-Donor Support Programme for Aid Coordination (MDSP) co-funded by five development partners (UNDP, Canada, New Zealand, Australia and the United Kingdom) and administered by UNDP Cambodia. The creation of the MDSP was key to strengthening the CRDB/CDC’s role as the country’s mandated agency for aid coordination and effectiveness. The vast majority of online survey responses identified the CRDB/CDC as the agency responsible for the implementation of the Paris Declaration and acknowledged the capacity building efforts of development partners in support of its role.

Another example of increased depth of engagement is the European Union Road Map for Increased Aid Effectiveness in Cambodia formulated by EU development partners in December 2006 and updated annually. It is aligned with the RGC's Action Plan on Harmonisation, Alignment and Results and addresses aid effectiveness and Joint Monitoring Indicator priorities. Accompanied by an Action Plan, inclusive of indicators and timelines, it details specific prioritised actions identified jointly with the RGC and forms the basis for the EU programme of work. The indicators and time lines are open to revision and modification according to the changing context, to enable EU development partners to respond effectively to the dynamic challenges of moving forward on the aid effectiveness agenda.

Overall Cambodia's development partners have increasingly recognized and respected government leadership and ownership of the development process by aligning their assistance to national development priorities, providing better aid flow information to the Cambodia ODA Database and supporting the government sector through capacity development investments. Government and civil society representatives who participated in tracer group 4, and completed the online survey, indicated that development partners have engaged in improving policy dialogue and inputting into joint planning and decision making with government through programme-based approaches and sector-wide programmes in particular. One example is the multi-donor supported Health Sector Support Program (HSSP2), a Sector Wide Management Approach (SWiM), being implemented by the Ministry of Health with support of development partners and especially NGOs whose involvement ensures ownership at local levels.

On the other hand, many respondents in sample project meetings and tracer group discussions noted that they believe that development partners are caught between their interest in working responsively with the government using local systems and their need to respond to the differing priorities and fiduciary concerns of their head offices in their home countries. This partly explains why their use of local systems is not increasing. As the May, 2010 draft report on National Structures and Systems for Aid Implementation in Cambodia notes "One major conclusion that can be reached from this study is that external development partner use of country systems is alive but not necessarily well in Cambodia".¹²

Similarly, analytical work and joint missions do take place but not in a coordinated and significant manner. Indicator 10a (How many donor missions are coordinated?) in the 2008 PD Monitoring Survey shows that only 44 out of 358 donor missions were coordinated. This number decreased from 26% in 2005 to 12% in 2007, (the third highest decrease in the survey). In terms of indicator 10b (How much country analysis is coordinated?), out of 118 donor analytical efforts, only 20 overall were coordinated in Cambodia. The percentage dropped from 58% in 2005 to 17% in 2007, which represents a drop of 41%, or the largest of the 33 countries taking part in the survey. It is clear that coordination is still a challenge. Although CRDB/CDC has said that this data is flawed (due to sampling inconsistencies and measurement errors), they and others interviewed accept the general point. To support forward planning and coordination, CRDB/CDC established an on-line mission/study coordination tool in 2009 but few development partners have taken the opportunity to use it as yet despite being encouraged by CDC to do so. This is one minor but telling example that reveals that it is behaviours, incentives and accountabilities rather than availability of tools and processes that determines how work processes are managed.

Material used to prepare this section was gleaned from: the 10 sample projects, the tracer group studies and particularly tracer group 4 dealing with programme-based approaches, responses to the online survey, the 2008 PD Monitoring Survey and a review of relevant development partner and government documentation.

FINDING 7:

Development partners are engaging well with government and civil society organisations especially in their role acting as facilitators of the TWGs and working with other aid coordination mechanisms. At the same time however, missions and analytical work are not well coordinated and development partners are often caught between working responsively with the government and responding to the differing priorities and concerns of their head offices in their home countries.

1.3.4 Changes in depth of engagement and capacity of civil society organisations

With a stated pledge to accelerate and deepen the implementation of the Paris Declaration, Ministers of the RGC and development partners joined with other nations in the signing of the Accra Agenda for Action (AAA) on September 4th, 2008. One of the key commitments of the AAA is found in paragraph 20: “We will deepen our engagement with civil society organisations as independent development actors in their own right whose efforts complement those of governments and that private sector. We share an interest in ensuring that CSO contributions to development reach their full potential”.¹³

A few months later in the Second CDCF Meeting (December 2008), the 3 person team representing NGOs expressed strong commitment for NGO involvement as follows: 1) engagement in national plan, policy and strategy implementation; 2) monitoring the above; 3) provision of complementary social services to the poor; 4) evidence based policy influencing; and, 5) participation and implementation of the country’s aid effectiveness agenda.

Later in response to the pledges by the government and development partners, the Cooperation Committee for Cambodia (CCC) in partnership with the NGO Forum on Cambodia and Alliance 2015 began a series of 3 High Level dialogues with CSOs to discuss Aid Effectiveness issues in Cambodia. To implement item ‘a’ from ACCRA paragraph 20, the first CSO High Level Dialogue on Aid Effectiveness was held on November 20, 2009, in Phnom Penh attended by 130 participants from 108 NGOs operating in 24 Provinces/Cities (84 participants were from Phnom Penh and 46 participants were from the Provinces).

As part of preparation for this National High Level CSO Dialogue, five NGO Regional Workshops on Aid Effectiveness were held to engage provincial CSOs in the national aid effectiveness agenda with a view to including their contributions in the national discussion among government, development partners and CSOs. These regional training workshops provided an opportunity to build the capacity of provincial NGOs about the development approaches agreed upon in the PD and the AAA. Three hundred and twenty (320) NGO representatives across Cambodia attended these full day training workshops. As a result of these workshops a core team on Aid Effectiveness was formed in each province. This, therefore, was a huge step by civil society organisations in Cambodia to “...reflect on how they can apply the Paris Principles of aid effectiveness ...”¹⁴ The fact that CSOs became much more involved with aid effectiveness is a direct positive result attributable to the PD and the AAA.

A second dialogue between CSOs and development partners took place on March 23, 2010 with 61 stakeholders attending, including 35 CSOs, 22 development partners and 4 government partners. The dialogue concluded that it is important to:

1. Build a common understanding of Aid Effectiveness and what it means; especially Country Ownership and Mutual Accountability in the context of Cambodia;
2. Improve access to information through better utilization of the ODA Database;

3. Assist TWGs to build relationships, have informal meetings and develop capacity;
4. Deepen involvement of CSOs in policy and expenditure monitoring to further contribute to good democratic governance; and
5. Adopt CSO performance and the Code of Conduct to improve the capacity of CSOs to represent and engage.

Following this, the CSOs launched the NGO Position Papers and the NGO Statement to the CDCF prior to the Third CDCF Meeting in June 2010. A third CSO dialogue is planned for late 2010 to include a larger number of government personnel. The increased input of NGOs and CSOs is highly encouraging and demonstrates increasing involvement of these stakeholders. It also points out that civil society, which is wider than specific NGOs, is more interested in being involved in this dialogue. The evolving role of NGOs and civil society needs to be seriously considered as part of the dialogue between the government and the development partners.

The prevailing view of government respondents to the evaluation's online survey, tracer study and sample project group discussions is that key CSOs have been provided with opportunities to engage

government representatives and development partners at all levels of aid policy dialogue including development of national and sector strategies through the various aid coordination mechanisms. Development partner respondents are divided in their views about this, recognising on the one hand that space has been created for CSOs to have their voices heard, but also noting that CSOs are not as fully engaged as they could be in some sectors and TWGs. NGOs themselves feel that they were provided with more opportunities to participate in the 2009-2010 NSDP Update exercise, including through the holding of a national workshop that enabled broader civil society engagement (religious organisations, trades unions etc). NGO representation at the sub-national level, where NGOs accounted for almost 20% of aid disbursements at sub-national level in 2009, is an area where perhaps they have had greater influence since their resources and presence is relatively more significant than at the national level.

CSOs note in their recent NGO reports on PD-related activity that for them to be fully engaged in all aid effectiveness efforts, they need to strengthen their capacities. To address this, they are holding capacity building training workshops and carrying out other similar initiatives aimed at strengthening capacity.

CSOs also deserve to be given credit for being responsive to the need for good governance for themselves. For example a Code of Ethical Principles and Minimum Standards for Certification of NGOs was developed in 1995 and revised by the Cooperation Committee for Cambodia (CCC) in 2004/05. Standards for a Voluntary Certification System were established in 2007 with the system being enacted and in use since 2008. By the end of 2009, 38 NGOs had applied to participate and 16 had received their certification.

Finally, together with CCC and MEDiCAM, the NGO Forum 15 has been trying to maximize NGO participation in drafting the NSDP Update. As a result of this joint effort, many NGOs have submitted inputs to the respective line ministries (as required by the Ministry of Planning), and, where possible, through the TWGs. This has been a significant coordination effort by NGOs. Since there is not always a channel to discuss these proposals, nor a channel for receiving feedback, to find out which comments



Capacity of Civil Society Organisations

Civil society has an increased role to play in terms of becoming a more engaged partner in dialogue wherever it is appropriate, as well as in ensuring that the implementation and management of their own activities aspire to the same standards of efficiency and effectiveness as for other forms of development assistance as they have done by developing the certification system of NGOs.

- *Cambodia Evaluation of Aid Effectiveness Report, Wood, 2010*



were incorporated and which were excluded, NGOs often are only able to assess final versions of NSDP Updates. Increased dialogue and feedback on inputs from CSOs would be beneficial to maximizing the value of inputs.

NGO Position Papers on Cambodia's Development in 2009-2010 conclude that CSO participation in drafting the NSDP Update was still limited. CSO online survey respondents and group discussion participants suggested that to improve this in the Mid-term Review of the NSDP Update, planned for 2011, draft documents need to be available early and TWGs need to have dedicated meetings to discuss inputs with line ministries and others including community based organizations, academics, religious institutions, labour organizations and research institutes.

Looking forward, the RGC has used the opportunity of the NSDP Update exercise to set out its vision for establishing a Cambodia Development Forum which will include private sector participants as well as a wider range of other national stakeholders. This will replace the current Cambodia Development Cooperation Forum which is largely shaped around the former Consultative Group format serving as a forum for dialogue between RGC and its development partners. The broadening of this mechanism will provide for a more holistic dialogue on national development priorities, including for the private sector, and will provide a platform for national representatives to provide increased input. This demonstrates some evolution from a donor-driven dialogue on ODA towards a national forum on Cambodia's development that includes all stakeholders in the dialogue.

FINDING 8:

The PD and the AAA have had a direct positive effect on CSO and NGO engagement which has increased in the past 2 years. CSOs are viewed by all stakeholder groups as having increased their individual and collective capacity to engage in, and contribute to, the development policy dialogue in national processes including in the TWGs. Nevertheless they need to continue to strengthen their capacity.

1.4 IMPORTANT EVENTS AFFECTING THE IMPLEMENTATION OF THE PARIS DECLARATION

Many important initiatives and events related to Paris Declaration priorities including the public sector reforms have taken place in Cambodia. A detailed list of these is included in the Technical Volume. Specifically, the most significant are noted in this section.

1) Localisation of the PD and establishment of policy framework and monitoring mechanisms

Cambodia localised the Paris Declaration in 2006 with its own Declaration, which was linked to its policy framework for aid mobilisation and management (the Strategic Framework for Development Cooperation Management) and to an action-based plan for promoting the effectiveness of aid (Harmonisation, Alignment and Results Action Plan). Together with the mechanisms (TWGs, GDCC, CDCF, JMIs) described elsewhere in this report, it seems likely that the most significant factor affecting PD implementation has been its assimilation with national policies and processes.

2) Increased access to dialogue among stakeholders

A significant series of initiatives and events have promoted dialogue among government, development partners and civil society organizations (CSOs). For example, the Cambodia Development Cooperation Forum (CDCF) was originally conceptualized as a means of building partnerships. In addition to the CDCF, the Government Development Partner Coordination Committee (GDCC) and the Technical Working

Groups (TWGs) also serve primarily as coordinating and supporting bodies and are part of the Cambodian system to promote aid effectiveness and development partnership.

There are 19 TWGs (12 sector related and 7 TWGs on specific cross cutting issues, including 1 TWG for partnership and harmonisation) which report to the GDCC. The TWG on Partnership and Harmonisation provides a forum in which the RGC and development partners can establish and sustain a consensus on aid effectiveness principles. Over the past 5 years, the TWGs have brought together government, development partners and CSOs to identify and review policies in their areas of focus. CRDB/CDC has facilitated the TWG Network, which is different from other groups, since it is more of a peer-to-peer network than a formal hierarchical committee, etc. This is intentional to acknowledge that challenging issues can best be addressed by breaking down some of the formal barriers and making more use of established networks and relationships that already exist for other purposes. CRDB/CDC also organizes events and training workshops annually to bring TWG members together. The literature review, the survey and the comments of most stakeholders in both sample groups and tracer groups indicate that there is strong agreement that opportunities for dialogue and input from stakeholders has increased since the advent of the PD but no respondents or any documentation suggests that this is attributable to the PD.

There is some diversity in views as to the effectiveness of the TWGs with some performing better than others (education and health are routinely identified as well-performing TWGs). One problem has been the representation of different Ministries and issues within a single TWG, which precludes detailed discussion or allows results on important issues to slip through the cracks since the mandates of many TWGs are unclear. At the 3rd CDCF meeting, the RGC committed to review TWG performance on an on-going basis including revising the Guidelines that inform TWG roles and functions. Associated PFM reforms will serve to strengthen coordination of projects within the TWG.

As defined in the PD and the National Strategic Development Plan (NSDP), a partnership based approach is important to deliver development results. While progress has been made by the government and its development partners in implementing this approach, challenges, in particular externally determined factors, such as the global economic slowdown, have slowed down achievement of development results. In 2009, an exercise for making partnership effective in Cambodia was undertaken to address these challenges. The exercise was divided into four stages with the first and second stages completed in the last quarter of 2009. A report on the second stage highlighted the following: TWG's need to consolidate; and strengthen their partnerships. Results of Stage 3 record some marked progress in some TWGs and an increased awareness and acknowledgement of the role that relationship issues play in achieving development results.

The results from the on-line survey also indicates that aid coordination mechanisms, which have been strengthened or created since the PD, have had a very positive effect on depth of engagement among government, development partners and civil society organizations. The June 2010 dialogue at the third CDCF acknowledged, however, that there is potential for further strengthening the performance of these mechanisms and the RGC is expected to announce further initiatives in this regard.

3) Increased involvement of CSOs with respect to Aid Effectiveness

CSOs and NGOs have become increasingly involved in activities with government and development partners in recent years including developing NGO Coordinating Bodies (e.g. CCC, NGO Forum, MEDiCAM) to raise NGO awareness about PD principles and initiatives. CSOs have increased their membership in TWGs and in many cases have developed capacity to make a substantive contribution. Of the 19 TWGs, there is NGO representation in 15. The education sector has the largest representation (11) including network representatives from NGO Education Partners (NEP), followed by HIV/AIDS (9),

Health sector (6) while others range between 2 to 4 NGO representatives with 4 TWGs having only one NGO representative. Some NGOs accept attending meetings only as observers. CSOs attending the P & H TWG, GDCC and the CDCF report that their engagement is very limited due to the very busy agendas. In other TWGs, CSOs have limited opportunities for engagement due to hierarchy, formality of proceedings and sheer numbers (up to 100 participants). Finally CSOs participate actively in other TWGs (i.e., Health, HIV/AIDS, Education and Fisheries) which was reported to the Evaluators by both government and development partners as being much appreciated. Challenges reported by CSOs include not having agendas for meeting distributed to them sufficiently early and also CSOs needing increased capacity to respond to key issues.

Annual NGO statements and collections of major position papers to the Cambodia Development Cooperation Forum (CDCF) are good examples of significant coordinated efforts by CSOs to have input.¹⁶ There are a large number (3,207 registered) of CSOs in Cambodia. As noted above, many are now demonstrating interest in building their capacity to dialogue on issues related to the PD and AAA. Although there is a long way to go for CSOs to achieve real influence on aid policy and programming, feedback from sample group and tracer group meetings with government and development partners indicate that acceptance of CSO input in TWGs etc. is being received positively although as noted, the level of involvement is uneven in TWGs and other venues.

CSOs are also trying to model good behaviour by becoming more accountable. To this end they have put in place a Code of Ethical Principles and Ethical Principles and Minimum Standards for CSOs (see section 1.3.4). Self-regulation by CSOs builds public trust and helps organizations demonstrate their values to potential funders, government, development partners and the public.

Although it cannot be said that increased CSO activity after the AAA was caused by the AAA or the PD, CSO interviewees noted that the existence of the AAA positively influenced them to want to become more involved in aid effectiveness efforts at a variety of levels.

4) Implementation of Core Reforms in the RGC

Core reforms include Public Administration Reform (PAR), Public Financial Management (PFM) and Decentralization and De-concentration (D&D).

The Cambodian Public Administration system has been rebuilt since the fall of the Khmer Rouge regime in 1979 through a substantial Public Administration Program (PAR) beginning in the post-UNTAC era. Over these years, the PAR has worked to overcome issues such as availability of an appropriate labour pool, the poor rates of government employees pay, the over centralization of government in Phnom Penh (without decentralization of authority in service-delivery ministries to the provinces). Through several iterations of the Governance Action Plan (GAP), the Cambodian Government through the Council of Administrative Reform (CAR) has worked to modify the system. More recently, in July 2010, the RGC established a “Priority Operating Cost” scheme that harmonises development partner payments of salary supplementations and incentives related to the implementation of ODA-funded programmes.

In the past several years, the Rectangular Strategy of the RGC focused on a variety of reforms including Decentralization and De-concentration (D & D) which includes: good service for citizens in provinces and districts through local self administration; a participatory district council with district authority and accountability as the voice of the local people; a spokesperson to be responsible for the flow of information to citizens about the political process; and an ombudsperson to ensure that there is a process for complaints against the government. Sample project personnel both from the government and citizens spoke highly about the D & D initiative as did tracer group participants and survey respondents.

With respect to PD influence on core reforms in Cambodia's public systems for financial management, procurement and audit, the online survey concluded that the prevailing view among all key stakeholder groups is that Cambodia has articulated priority objectives and activities in key reforms including Public Financial Management, Public Administration Reform and Decentralization and De-concentration and that development partners have supported these reforms and provided capacity development assistance. There is less agreement on the criteria and processes for assessing the quality of public systems noting some political set-backs in terms of implementation and the limited involvement of line ministries.

A Country Systems Mapping study "National Structures and Systems for Aid Implementation in Cambodia" in May 2010 showed that for nearly all systems and ministries there is some use of country systems and support from external partners. However the approach has been piecemeal and is unlikely to succeed without political will and substantive attention to organisational development. Change is slow because of low capacity and motivation by the civil service, risk aversion, and resistance to change. The importance of the core reforms in strengthening processes and capacities is central to their development. Capacity was not seen as the most limiting factor by some RGC staff; rather motivation, resistance to change and incentives were seen as more important to performance. Public servants often also do not use the systems that are established. The survey findings of this evaluation are consistent with these findings: respondents, including development partners, in the health and rural development sectors are of the view that Cambodia's public systems are not currently the first option for aid programmes with the government sector.

The Public Financial Management Reform Program (PFMRP) Stage 2, which was launched by the Prime Minister of Cambodia in December 2008, is also one of the key elements within the core "Rectangular Strategy" and its long term vision to build an international standard public financial management system by 2015. Significant progress was made in implementing Stage 1, launched in December 2004, which has resulted in the budget and budget process as being viewed as credible by interviewees and as noted in much of the documentation.

5) Improved Joint Monitoring Indicators measuring output level results

In addition to improved planning through the National Strategic Development Plan (NSDP), the Joint Monitoring Indicators (JMIs) are an increasingly effective way to measure output level results that are associated with outcomes included in the NSDP. JMIs have established priorities: 1) to agree on realistic and achievable goals outlined in the Rectangular Strategy and the NSDP and in line with sector/thematic plans; 2) to create a consensus around targets, resources and time frames to achieve targets; and 3) to promote joint efforts to achieve development goals in a results based manner informed by partnership and mutual accountability.

Although some respondents indicated that the results chain used by the TWGs to measure achievements was challenging to implement, everyone in the sample groups and tracer groups who mentioned JMIs could see the value of results based management (RBM). The JMI exercise also allowed stakeholders to focus on how inputs and activities lead to outputs and immediate outcomes. Another benefit is that they make it easier to see if projects or programmes using programme-based approaches are consistent with plans such as the RGC Harmonization, Alignment and Results Action Plan and/or with the Paris Declaration. Using this format also encourages mutual accountability and understanding of the development process.

In summary, there has been good progress in putting in place tools and processes that help to ensure effective aid delivery in Cambodia similar to PD objectives, although there is still work to be done. The Cambodia Aid Effectiveness Reports (2007, 2008 and 2010), under the direction of CRDB/CDC, presented

transparent descriptions on ODA coordination aid effectiveness management and assessed the performance of associated systems and processes. The main recommendations in 2008 specified 4 priorities are needed: 1. Efforts to focus on simpler measures relevant to sector and central planning/budgeting processes; 2. Improved partnership dynamics to support multi-stakeholder processes that deliver results; 3. Broader and higher-level engagement in the development partnership; and, 4. Partnership in development cooperation focusing increasingly on capacity development to strengthen national systems.

These issues resonate in the conclusions made in the 2010 Aid Effectiveness Report which notes that immediate and urgent measures, for example in strengthening sector programmes and reforms that reinforce government ownership and focus on capacity development, need to be pursued. Learning is also critical as it informs and promotes adaptation.

FINDING 9:

Although it is difficult to link the PD directly to specific reforms and capacity development in Cambodia, prior to, and since, the advent of the PD/AAA, several key initiatives consistent with the PD/AAA have taken place related to: 1) localising the PD and locating it in national processes; 2) increased access to opportunities for dialogue among stakeholders, 3) increased inclusion of CSOs in the aid effectiveness process; 4) implementation of core reforms in government; and 5) improved Joint Monitoring Indicators measuring output level results. RGC remains committed to further strengthening these mechanisms and to promoting dialogue opportunities with national and international stakeholders.

1.5 EXTENT TO WHICH THE PARIS DECLARATION HAS BEEN IMPLEMENTED

This section discusses the extent to which the 5 PD principles (Ownership, Alignment, Harmonization, Managing for Results and Mutual Accountability) have been implemented in Cambodia. A detailed look at specific implementation will be included in section 3.4 Enhancing Results in Specific Sectors. This section briefly summarizes key points related to implementation of the 5 PD principles gleaned from the lines of evidence.

1. Ownership – At central and sectoral level, the Government has increasingly acquired the political will and the capacity to exercise ownership, demonstrated by the production of policy frameworks and the introduction of long-term reform programmes. The question as to 'what precisely is being owned?' is still contested in some areas, however, since the RGC vision and timeframe differs from that of most development partners. Although there is certainly more involvement of non-government stakeholders in many forums as noted earlier, the overall impression of many stakeholders (working in sample projects and as voiced in tracer groups and noted by online survey respondents), is that there is insufficient local ownership. These findings may be explained by what we might call “relative power” which needs to be contextualized within Cambodia. This issue speaks directly to the point that power is not equal between development partners and the government (who are recipients of aid). Although, in some countries this relationship is more equal, in the Cambodian context this has not been true, although it is changing. This can cause the agenda of the government to be influenced by development partner priorities over country priorities. In addition, CSOs nationally and locally and local people in the provinces working on sample projects, felt that they need to be more empowered through local project ownership

2. Alignment - With respect to alignment, conclusions in the synthesis analysis of a development partner self assessment survey completed in 2008 and other documentation suggest that development

partners agree that they need to align their policies and programmes with country priorities. Alignment with development priorities at sector and reform level is clearly strong (as the statistical data in the series of Aid Effectiveness Reports has shown), principally because the RGC has been able to clearly articulate its priorities and negotiate policies with development partners. Progress has therefore been positive in terms of aligning and using planning processes. The second component of alignment concerns use of country systems (planning, budgeting, disbursement, accounting, reporting, monitoring, reporting, evaluation, auditing) by development partners, which in practice is minimal (as described in detail in the May 2010 study on National Structures and Systems for Aid Implementation in Cambodia, see section 1.4, which reports on the perception of systems suitability for development partner use). Similarly, at an operational level, the 2008 Monitoring Survey indicator 4 responds to the question of how much technical assistance/capacity development is coordinated with government programmes? That data indicates that there was virtually no change between 2005 when it was 36% and 2007 when it was 35%; this speaks to both the need to develop RGC systems as well as to overcome the reluctance of development partners to use their TC to strengthen them where they do exist.

3. Harmonization - Among all development partners, harmonization is an accepted goal demonstrated in practice in programme-based approaches and co-funding arrangements. However in most cases there has been insufficient progress towards establishing standardized approaches in programming, implementation, reporting and review. This continues to place a strain on the recipients of aid (as well as the providers) with regard to reporting, especially if there are multiple development partners involved in a project or programme, all with differing reporting requirements and performance measurement frameworks. The need to standardize reporting is an issue highlighted by sample group respondents. This perhaps highlights the disconnect between donors at HQ/capital and country level as any desire to harmonise is forestalled by individual donor requirements and the absence of any global initiative to harmonise that can then be applied to support country programmes.

4. Managing for results - The principles of results based management are widely used and most projects and programme-based approaches have well formulated expected results statements at the output level. Joint Monitoring Indicators (JMIs) have been used by the Cambodian Government since 2004. Work plans and JMIs are developed by the RGC, development partners and CSOs in all Technical Working Groups and used to monitor progress towards results achievement. JMIs are used to agree on targets for achieving priority development outcomes, creating consensus around targets and promoting joint efforts to achieve development goals in a results-based manner. The JMIs (and a revised template) are being used for reporting by most TWGs. Nevertheless, project-level investments often lack any means of attributing their results to sector outcomes, indicating some inertia in improving donor systems to make them compliant with PD-type results-based approaches.

5. Mutual Accountability - The 2008 PD Monitoring Survey indicator 12 asks whether countries have reviews of mutual accountability and reports that Cambodia is one of only 14 out of 55 countries to have done a review of mutual accountability and to have tools, such as, the Joint Monitoring Indicators, National Sector Review Arrangements, Cambodia ODA Database and Aid Effectiveness Reports as well as the aid coordination mechanisms described in this report. These are well established in Cambodia and have been part of the development aid culture for some time. In addition, the "**Making Partnerships Effective in Cambodia**"¹⁷ initiative, commissioned by CRDB/CDC in 2009, responded to the observation that in many cases not all partners were sufficiently engaged in these mutual accountability processes to enable them to participate or to make an effective contribution (or to be held accountable). This initiative aims to demonstrate how to build further trust and common understanding among stakeholders based on equity, transparency and mutual benefit as the 3 drivers of effective partnering, which is seen as a precondition for facilitating wider change in aid delivery practices.

FINDING 10:

PD principles are being implemented in Cambodia but unevenly. Ownership is demonstrated by the national government but at the sub-national level and for CSOs, increased ownership by Cambodians is necessary. In terms of alignment, development partners have aligned most of their policies and programmes with Cambodian priorities but have not linked most of their project or programme implementation processes to country systems. Harmonization is limited to working in some programme based approaches and co-funding but standardized performance indicators and reporting still needs to be harmonized. Managing for results is being done by projects and programmes and overall by Technical Working Groups using Joint Monitoring Indicators to monitor progress but less so at the project level where outputs are difficult to attribute to sector outcomes. With respect to Mutual Accountability, Cambodia is one of only 14 countries which did a review of mutual accountability and developed a set of tools including Joint Monitoring Indicators, National Sector Review Arrangements, Cambodia ODA Database and Aid Effectiveness Reports.

2. EFFECTS OF PARIS DECLARATION IMPLEMENTATION ON EFFICIENCY OF AID DELIVERY

Q2 “To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships? (Process and intermediate outcomes)

2.1 COUNTRY OWNERSHIP OVER DEVELOPMENT

2.1.1 National strategies and operational frameworks

Government led aid coordination

Evaluation interview responses by government and development partners acknowledge a substantial increase in awareness and urgency of the need to further strengthen public sector management reforms, particularly the role of central agencies. For example, in its 2006-2010 Strategic Plan, the Ministry of Planning set out to “reorient its work and management of EDP (external development partner) support to the Ministry in a harmonized and coordinated way”¹⁸ and to focus its support on the NSDP process including preparation of the national medium-term development plan and monitoring its implementation. Two years later, the Cambodia Evaluation of Aid Effectiveness determined that the planning and budgeting processes were still poorly synchronised, operational plans were needed to give development partners guidance and the NSDP



Sector Strategies and Operational Plans

The Strategy for Agriculture and Water (SAW) has finalized the preparation of its five sub-programs and is seeking to incorporate a mechanism that accommodates PFM and administrative reforms, thereby ensuring that capacity development objectives are consistent with broader Government objectives. Other line ministries and agencies, including Ministries of Health; Land Management, Urban Planning and Construction; Commerce; Rural Development; Interior; and Women's' Affairs, together with CARD and CMAA, have identified the development of a strategic plan as the basis for future aid effectiveness work. In most cases this has had benefits in terms of facilitating the consensus and partnership that is required to secure the ownership required for successful implementation.

- *The Cambodia Aid Effectiveness Report 2010*



monitoring and evaluation framework remained weak.¹⁹ Progress has nevertheless since been made to strengthen these and other areas of public sector management.

As previously noted, most stakeholders perceive ownership of the development process to be firmly in the hands of the RGC at a national level, even if not fully reflected throughout at sub-national level. The CRDB/CDC has demonstrated emerging leadership and implemented capacity building initiatives at national and sector levels. This leadership has produced coherent and comprehensive sector strategies and frameworks described in the adjacent text box that provide the basis for partners to engage in and support government-led efforts.

Government and development partner respondents to the on-line survey either agreed or strongly agreed that the RGC: has strengthened its national and sub-national sector planning processes and frameworks; is facilitating active participation of CSOs into development policy dialogues; and is preparing, implementing and monitoring national development policies and plans. While development partners generally agreed, they also noted that sector planning processes and CSO engagement at the sub-national level was very much sector specific and that transparent performance monitoring processes still required strengthening.

Fully consultative processes on national development strategies

The various consultative processes on national development strategies were discussed in the previous chapter regarding stakeholder changes in their depth of engagement. The salient points based on the evaluation's lines of evidence are reiterated below.

Online survey responses revealed statistically significant differences of opinion between government representatives and development partners regarding the effectiveness of the CDCF and GDCC consultative structures and processes; the former being rather positive and the latter much less so. These differences of opinion narrow with an overall positive view of the effectiveness of the Technical Working Group (TWG) Network and in particular to the following thematic TWGs: Public and Financial Management; Partnership and Harmonisation, and Planning and Poverty Reduction, etc. Also, health and rural development sector respondents were generally in positive agreement with the overall effectiveness of their respective TWGs.

Tracer group participants reported that subsequent to the meeting on "Making Effective Partnerships" (June, 2009), TWGs for education, agriculture and water and fisheries, revealed how government and development partners were working together during the process of establishing their Annual Operation Plans 2010 and agreeing on Joint Monitoring Indicators. Other noteworthy examples are the Infrastructure TWG which revised its TORs and created subgroups and the Gender TWG which has been facilitating an exercise on members' views about the effective functioning of their group. Finally at the Partnership and Harmonisation TWG meeting in February 2010, representatives of Land TWG and Mine Action TWG reported that their collaboration has provided positive momentum in their respective sectors.

At their March, 2010 dialogue, CSOs expressed the opinion that they do not yet feel sufficiently included as real partners with government and development partners in multi-stakeholder efforts to translate aid effectiveness into practice. The prevailing view of government respondents to the online survey is that key CSOs have been provided with opportunities to engage government representatives and development partners at all levels of the aid policy dialogue and in development of national and sector strategies through aid coordination mechanisms ranging from the CDCF, GDCC to the TWGs. Development partner respondents however were divided in their views, recognizing on the one hand that space has been created for CSOs to have their voices heard, but that they are not as fully engaged as they could be in some sectors and in some TWGs, most notably in the rural development sector.

FINDING 11:

Increased leadership and ownership by the RGC over development processes is reflected in collaborative development planning processes, national strategies and operational frameworks which have been strengthened since the advent of the PD. There is also an increased openness by government and development partners to include CSOs in development planning processes with formal representation in aid coordination mechanisms, although the extent of CSO participation and engagement is perceived differently across the stakeholder groups.

2.1.2 Influence on the integration of aid planning and delivery

The positive influence of the Paris Declaration on more integrated development planning at both the national and commune levels was addressed in section 1.2.2, while this section focuses moreover on its influence on aid delivery at the investment and operational level.

RGC has for some time acknowledged the need to establish closer institutional linkages in order to integrate the national planning exercise (overseen by the Ministry of Planning and the Public Investment Programme); the national budget (managed by the Ministry of Economy and Finance); and the programming of aid (the responsibility of CRDB/CDC). Following dialogue at the December 2008 CDCF meeting, a national committee was established including membership of these three agencies in order to harmonise and integrate planning, budgeting and aid management processes, taking particular account of the PFM reform and the on-going work at sector level to ensure that all ODA is reflected in planning and financing frameworks as well as in the medium-term pipeline. This work is on-going and by mid-2010 detailed analytical work was being commissioned to understand the three individual processes as well as to develop options for their harmonisation.

There is widespread recognition among all stakeholders that participated in this evaluation that the CRDB/CDC has increasingly encouraged the use of programme-based approaches (PBA), delegated cooperation and co-financing arrangements to better harmonise development partner investments and reduce fragmentation. These efforts will also ensure that ODA programmes are integrated with the sector and national budgeting exercise. Based on the recommendation in the 2007 Aid Effectiveness Report, there is still untapped potential for CRDB/CDC to become more engaged in the programming and review dialogue with development partners that currently negotiate their programmes with other Ministries or agencies.

The move to PBAs is evident in the health sector but less so in the rural development sector where the predominant aid delivery modality remains the traditional project. Development partners responding to the online survey and tracer study group interview questions reported that there is still considerable donor fragmentation, sector concentration and a need among some development partners to maintain diversified aid modalities. The shift to PBAs, which embraces all modalities, has been problematic for some development partners given the continued weaknesses in public management systems, leaving the traditional project as a viable alternative. Section 2.2.1 of this report with regard to the duplication of effort provides further evidence of the continued fragmentation of aid investments in Cambodia.

Notwithstanding the complexities of defining and identifying the Project Implementation Units (PIUs), the PD Monitoring Survey data for indicator #6 is consistent with the view of continued aid fragmentation since Cambodia saw more than a twofold increase in the number of PIUs between 2005 and 2007, the majority of which can be attributed to less than a handful of development partners. Whether this is a real increase or just improved self-reporting on the part of development partners would require additional research, nevertheless the number of reported PIUs in Cambodia at 121 in

2007 is among the highest of all countries. The Cambodia ODA Database identifies 31 “partially integrated parallel implementation units” in the health and rural development sectors representing 25% of the total; there are no “stand alone PIUs” identified for these two sectors.

Decision-making over project design and implementation

Several key points on local ownership and control were raised during the group discussions with the 10 sample project stakeholders. The participants who were project coordinators and implementers, such as the Commune Counsellors confirmed that the whole premise of their projects was to encourage Cambodian ownership at both national and sub-national levels of the government, including participation by grassroots institutions, i.e. the communes. These group discussion participants recognized that their projects aimed to decentralize decision making to include local priorities and perspectives on project selection and design. However, the majority of them also noted that development partners usually stuck strictly to their funding criterion and funded only projects and activities consistent with their internal procedures and institutional development policy frameworks. This has had a strong influence on the decisions of line ministries and Commune Counsellors in designing and submitting priority projects for their communities. In most cases, line ministry representatives and Commune Counsellors negotiated with development partners and made adjustments to their local development priorities and project designs in order to meet the funding requirements. Such imbalances in power relations between development partners and local aid recipients were the most evident in the context of traditional projects. This highlights the need for RGC to develop its own appraisal criteria and processes for developing its financing pipeline and for negotiating project support if ownership is to be made more meaningful.

FINDING 12:

While development planning at the national and sector levels is becoming increasingly integrated between government and development partners, there continues to be a high degree of fragmentation in aid delivery. Development partners continue to exercise considerable control at the local level over the choice of aid delivery modalities, project design and implementation decisions through the application of their funding criteria.

2.1.3 Alignment with national priorities, systems and procedures

Aid flows aligned with national priorities

Both general and sector specific stakeholder group respondents to the online survey agree that development partners have made concerted efforts to align their budget allocations with national development priorities outlined in the NSDP and with sector priorities such as in the health sector. Development partners have also provided support for Cambodia’s national statistical and information systems capacity for managing aid. Emerging development partners (i.e., China and S. Korea) are also aligned with government policies especially for infrastructure projects²⁰ Disbursement data reported by development partners for the 2008 PD Monitoring Survey was consistent with the prevailing view of better aligned aid flows with national priorities (indicator #3), as 85% of ODA was recoded in the RGC system. RGC Aid Effectiveness Reports (2007, 2008, 2010) also indicate progressively improving aid alignment with NSDP priority sectors. As noted in section 2.1.2, additional efforts to better link the Public Investment Program with the Medium-Term Expenditure Framework and associated sector planning processes are still warranted, however, and will assist in integrating RGC recurrent funding with investments supported by ODA.

Development partners use of local systems and procedures

There is an effort by government to seek development partner involvement in NSDP priorities and the existing medium term sector strategic framework. However, these priorities are not being supported by development partner use of Cambodian country systems. The evaluation found no evidence that there is an increase in the use of public financial management and procurement systems, although efforts by the World Bank and ADB to assimilate their Standard Operating Procedures with those of RGC have enabled these donor systems to become the de facto RGC system. This has promoted the development of capacity and limited use of systems (i.e. for funds managed by these donors) based on global norms represented in these donor policies.

The slow pace of reforms has not inspired confidence and the reluctance to use these country systems has continued. This is consistent with the comparative analysis of the 2005 and 2007 PD Monitoring Survey data (indicators 5a/5b) which shows little change from the low levels of usage since 2005. It has proven to be quite difficult for both government and development partners to systematically move toward meeting this commitment as pressures to implement development programmes are often more predominant than the need to build country system capacity in a manner that is consistent with the longer-term reform objectives.

Group discussions with the 10 project sample stakeholders, including development partners also suggests that there has been little change toward the use of local implementation structures. Interviews with development partners conducted during the tracer studies reveal that while development partners want to use local government implementation structures and systems as much as possible they find that the existing capacity does not meet their institutional performance reporting requirements. The recent study of National Structures and Systems for Aid Implementation in Cambodia led by SIDA sheds some light some on this issue.²¹

Technical cooperation support for capacity building of country systems

Technical cooperation (TC) support typically accounts for between 30-40% of ODA disbursements. The general view of both RGC and development partners is that these investments have not yielded the capacity dividends that might have been expected. Analytical work has therefore been undertaken (2007 and 2008) to better understand the dynamics of TC provision leading to the production of a Guideline on TC by RGC in 2008. In general, online survey respondents were uncertain (neutral) about the quality of capacity development strategies and the provision and management of technical cooperation. Development partners still wait for the National Capacity Development Strategy being prepared by the Council for Administrative Reform to guide all public investments in capacity development and organisational reform. This Strategy is expected to integrate the 2008 Guidelines on the Provision and Management of Technical Cooperation and provide a framework for programming and managing external technical cooperation resources to ensure that this technical cooperation supports RGC reforms and capacity development efforts. In the meantime, government and civil society



Use of Country Systems and Local Structures

What emerges from the study and the discussions is not a simple picture of desire by governments for greater use of country systems and resistance by external development partners. There are systems, such as those associated with planning where there is already a lot of alignment and general agreement on both sides as to the desirability of the process and a will to make it work by developing and refining changes. There are others, and the use of PIUs is a particular illustration of this, where both sides are divided....A possible middle ground is the combination of a number of projects or programs under the management of one PIU with a common set of procedures as a further development of the pooled funding approach.

- *National Structures and Systems for Aid Implementation in Cambodia, May 27, 2010*



organisations have noted that the joint selection and management of technical co-operation projects to address weaknesses in service delivery at the sub-national level varies across sectors depending on the presence or absence of a strong TWG and sector strategy, but is most often limited to joint selection. A comparative analysis of the 2005-2007 PD Monitoring Survey indicator #4 data for progress on strengthening capacity by co-ordinated support, has not shown any improvement since 2005, since it is linked not only to coordinated TC provision but also to progress by RGC in establishing programmes around which TC can be better coordinated, but the achievement of the 2010 target remains nevertheless in reach.

There was an expressed concern among participants in sample project group discussions that the amount of technical cooperation has undermined the utilisation of existing Cambodian capacity. However, this may be looking at technical cooperation in a very traditional sense, i.e., as substitution of foreign technical assistance for in-country capacity. The Technical Cooperation Guidelines (2008) suggest that it could be used as modeling or training of in-country technical cooperation which would increase capacity, not necessarily reduce it. Nevertheless, it was suggested by group discussion participants that the use of external technical assistance personnel could block the emergence of Cambodian capabilities. The implicit control by development partners over decision making about technical cooperation leads to an excess supply given the pattern of development partner staff incentives. Almost all the appraisal work, report writing, monitoring and evaluation are still carried out by advisers or external consultants. Part of the reason for this continued involvement is the need to lower development partners' risks and maintain their disbursement levels.

There is frequently a lack of transparency about the costs, supply and the functions of technical assistance personnel, although some development partners report that they consult with RGC about TC requirements and engage them in TC formulation and recruitment. Where transparency is inadequate, this reinforces concerns about the impact of TC. Cambodian officials also want to maintain a high level of external technical assistance personnel given their own needs to get work done, manage their departments and agencies and maintain their performance. Land concludes that the "incentives for country staff to phase out long-term technical assistance and to focus on capacity issues are mixed at best".²² The recent study on Country Systems also emphasises the incentive for both sides to continue to use TC in a capacity substitution mode. Approaches to overcome this include efforts to address both the "demand" and "supply" sides of the TC equation: embedding external technical assistance within national organizations; using joint international and national technical cooperation teams; promoting regional and/or south/south technical cooperation; addressing incentives and motivation for performance of RGC officials; and exchanges of skills and knowledge among a wide variety of technical cooperation specialists including sector experts.

NSDP and Joint Monitoring Indicators

Overall, the prevailing view among government respondents to the on-line survey, and somewhat less for development partner stakeholders, is that government and development partners have undertaken mutual assessment reviews based on results reporting and credible independent evidence; they have held each other accountable for mutually agreed development results in keeping with National Strategic Development Plans and Joint Monitoring Indicators. The 2008 PD Monitoring Survey (indicator 12) shows that Cambodia is among only 14 out of 55 countries to have done a review of mutual accountability. While no explanations or examples were provided, civil society organizations are not of the same opinion noting a lack of independent peer review for the mutual accountability assessment and while there are good discussions at the GDCC/CDCF, specific time bound actions are not always agreed upon, documented and revisited. In support of this dissenting view, the evaluation found little in the way of outcome level data for its sample of 10 development (project) investments.

At a higher level of results (i.e. sector outcomes) that provide inputs to the NSDP monitoring process there is a good deal more alignment with the national system that is in place for NSDP monitoring. Reports on NSDP implementation are prepared every 18 months for the CDCF dialogue. They are derived from sector reporting systems (both routine as well as commissioned surveys and reports etc). Many of the sector reporting exercises are now conducted as joint exercises that embrace the JMI exercise and include representation from all TWG members: RGC, development partners and NGOs. These sector reports are ratified by the TWGs and augmented with data made available from the National Institute of Statistics (Ministry of Planning) which is itself a beneficiary of long-term external support. The national system for monitoring, the NSDP, was reviewed as part of the NSDP Update process (which extended the NSDP period to 2013), highlighting that significant work remains to be done formulating a range of economic and social indicators as well as putting in place the census, survey and routine data systems at national and sectoral levels that are required to support robust monitoring.

FINDING 13:

Development partners have made concerted efforts to align their support with the national and sector level development priorities but have remained reluctant to use country systems and local implementation structures due to continued weak capacity and the slow pace of reforms. Since the use of technical cooperation to build capacity has been suboptimal, subject to debate and competing interests, development partners and, perhaps to a lesser degree, RGC accepts that technical cooperation will be required for the medium term. Further efforts by both RGC and its development partners are required to exert more effective ownership and management of TC resources and ensure that it is dedicated to support the establishment of national systems and capacities and are accountable.

2.1.4 Measures and standards of performance and accountability

The World Bank Country Policy and Institutional Assessments (CPIA) provide recognised and comparable measures and standards of performance and accountability for International Development Association (IDA) eligible countries. The CPIA rates countries against a set of 16 criteria grouped in four clusters: (a) economic management; (b) structural policies; (c) policies for social inclusion and equity; and (d) public sector management and institutions. The criteria are focused on balancing key factors that foster growth and poverty reduction.

Category	Cambodia	IDA average
Economic Management	3.8	3.5
Structural Policies	3.3	3.4
Policies for Social Inclusion/Equity	3.3	3.3
Public Sector Management and Institutions	2.7	3.1
Overall (average 4 categories)	3.3	3.3

The overall country rating is referred to as the IDA Resource Allocation Index (IRAI) based on the results of the annual CPIA exercise. Below are Cambodia’s strengths and weaknesses based on the most recent CPIA ratings (2008 IDA IRAI Index):

- Cambodia was equal to the average score of 3.3. Its portfolio rating was 3.5, which also equalled the average score of other borrowers.

- For the CPIA economic management cluster Cambodia scored 3.8 which is above the average score of 3.5 while for the CPIA public sector management and institutions cluster Cambodia scored 2.7 which is below the average score of 3.1.
- Cambodia's highest scores were in the area of macro-economic management (4.5), trade (4.0) and gender equality (4.0);
- Cambodia's lowest scores were for the Financial Sector (2.5), Property Rights and Rule-based Governance (2.5), Quality of Public Administration (2.5) and Transparency, Accountability and Corruption in the Public Sector (2.5).

Financial management capacity

The RGC sees the Public Financial Management Reform Programme as a central pillar underlying the general administrative reform and promises only incremental change over a relatively long timeframe. Stage 1 was launched in December 2004 was focused at internal functions of the Ministry of Economy and Finance to promote the objective of improved financial accountability both in terms of collecting revenue from all sources and managing expenditures. Stage 2 began in December 2008 with the key objective to strengthen the financial accountability of line Ministries at the sector level.²³ The reform programme aims at improving budget credibility (financial accountability, policy based budgeting and accountability for performance) by encouraging line Ministries to apply medium term expenditure frameworks which promote reviewing sector wide management and programme-based approaches. Line Ministries are now linking their sector work with the Public Financial Management Reform Programme and finding synergies.

Synergy is important because it shows how public sector reforms are an important yet under-recognised part of the aid effectiveness agenda, although recent efforts documented in the 2010 Aid Effectiveness Report show that the link between core reforms and aid effectiveness work are beginning to be made stronger, e.g. through the JMIs that now include aid effectiveness priorities for each of the reform programmes. As development partner funds are integrated into line Ministry budgets, other PD-type work may also advance. As noted in the tracer case studies, integrating domestic and external resources supports coherent planning and implementation, as well as promotes coordination and alignment of aid. Ideally, the RGC will be able to assert greater leadership over these funds as a consequence of them appearing in the line Ministry budgets.

The Ministry of Economy and Finance is also strengthening public financial management between the central and sector levels. For example, the Budget Strategy Plan (BSP) was introduced in 2007 and aims at improving budget integration and comprehensiveness across government. It is a 3 year rolling budget which requires all line Ministries to present both recurrent and capital budgets including all external financing from development partners. The first draft of the BSP guidelines was prepared and the Ministry of Economy and Finance is also developing a series of technical workshops to further improve the preparation of the BSP by line Ministries.

The 2009 study on *"Cambodia Fiduciary Risk Assessment for the Department of International Development"* undertaken by DfID reported that significant progress has been made under Public Financial Management Reform in Stage 1. However, it also found that progress slowed in 2008 due partially to the low levels of public financial management capacity to implement the reform measures within line Ministries and at sub-national levels in particular. While there is a capacity building plan, the current training response was inadequate because it relied largely on the Ministry of Economy and Finance - Economic and Finance Institute (EFI) which itself lacked the capacity to meet the training need.²⁴

National procurement systems

The Ministry of Economy and Finance developed the *Procurement Manual for Externally Funded Projects/Programs in Cambodia* (Volumes 1-3) in 2005 to guide its staff and line Ministry staff. The aim has been to improve the procurement performance of projects funded by the Asian Development Bank and the World Bank by assimilating and applying the Standard Operating Procedures (SOPs) that guide procurement. The long-term aim was to write a unified procurement manual that will govern all procurement activity in Cambodia. Now RGC has communicated its intention to apply the SOPs to all public procurement processes.

There have been several assessments of Cambodia's procurement systems, two of which were in the health and education sectors concluding that these procurement systems "are not yet at the point where they can be relied on".²⁵ The World Bank External Advisory Panel Report (EAPR) on the Public Financial Management Reform Programme, (February 2010) indicated that procurement by the RGC is regarded as "being some way off from international standards".²⁶ The NGO Position Papers reported that the 2010 target to have 50% of all public procurement published on the Government website was not met. In fact, the website is not yet operational.²⁷ These assessments of the procurement system in Cambodia suggest that it has not yet reached an acceptable level and that significant work needs to be done to reform the system so that trust in its use can be built.

Mutually agreed standards and processes for diagnostics, develop reforms and monitoring

The prevailing view among all key stakeholder respondents to the evaluation's online survey is that the RGC has articulated priority objectives and activities for a number of key public sector reforms, including Public Financial Management, Public Administration Reform and Decentralisation and De-concentration and that development partners have supported these reforms and provided some capacity development assistance. While there was little agreement on the criteria and processes for assessing the quality of these public sector reforms, development partners were considerably less positive than other stakeholders about what has been achieved in terms of improved administrative and audit capacities, development of national public financial management and procurement systems, as well as reporting on development results.

The first national audit was completed on the budget for fiscal year 2006 with the results only being released in 2009. A review of the literature²⁸ undertaken in May 2010 summarised that there are now "Internal Audit units in many Ministries but qualifications, audit standards, capacity and productivity are some way off. The National Audit Authority [NAA] is slowly building capacity with support from a number of development partners but independence is a real issue. Neither it nor the relevant committee of the National Assembly [NA] are issuing publicly available reports".

The recently published NGO position papers²⁹ observed that "stakeholder participation in the budget process, from formulation to adoption, remains restricted to line Ministries, agencies and relevant institutions". It goes on to argue that "Cambodian citizens, who are the real contributors to and owners of public funds are not well informed and are not provided any opportunity to express their opinion and participate in the process". However, the papers neglected to point out that the NGOs do have a role in most of the Technical Working Groups even though that role needs to be much stronger, especially as PFM reforms in each sector make the TWG an increasingly appropriate forum in which to discuss sector budgets and planning through the use of Annual Operational Plans that integrate both domestic and external resources. NGOs, through the NGO Forum's Budget Transparency Brief, have made a very useful contribution to promoting budget transparency through their reports that present simplified analysis of the budget and expenditures. At the sub-national level there are also well-established

procedures for engaging the community in decisions relating to commune expenditures through the planning and implementation of Commune-Sangkat Fund activities.

Looking at the situation more broadly, the monitoring of the Action Plan on Harmonisation-Alignment-Results has become an institutionalised part of TWG-GDCC proceedings, with consolidated reports being prepared three-times a year in advance of GDCC meetings. The dialogue at the second CDCF meeting in December 2008, based on the recommendations of the CRDB/CDC 2008 Aid Effectiveness Report, led to an agreement to identify a narrower and more realisable set of aid management priorities in order to more effectively integrate aid effectiveness efforts with central and sector reform processes. This agreement contributed to the update of the Joint Monitoring Indicators in December 2008 and to the integration of aid management activities in the JMIs which were agreed to in June, 2010.

This evaluation attempted to identify ten sample project investments that included documentation on development outcomes. The review of the first set of sampled reports found that development outcome data was not included in the majority of the project progress and completion reports. This experience was enlightening in terms of the larger questions regarding standards for managing for results and mutual accountability. When development partners and/or government implementing agencies are not producing project documentation that does not contain development results information, then this is a very important and fundamental finding in its own right.

FINDING 14:

The underlying normative values of the Paris Declaration emphasise the importance of public service reform, although in practice the link has not always been strongly made in the programming and implementation of aid-financed activity. Achieving recognised standards of performance and accountability in public sector management has been challenging for Cambodia which continues to suffer from historically weak human resource and institutional capacities, particularly in line Ministries. Public sector reforms (in public financial management, civil service reform, decentralisation and sub-national democratic development, and in the legal and judicial sector) have proven to be challenging and, given the complexity and possible ‘reform overload’, may only be expected to yield significant dividends in the medium to long term.

2.2 BUILDING MORE INCLUSIVE AND EFFECTIVE PARTNERSHIPS

2.2.1 Duplication of effort and rationalised, cost-effective aid delivery

The high degree of fragmentation of aid delivery in Cambodia resulting in duplication³⁰ is well documented in the Cambodia Evaluation of Aid Effectiveness and in the Aid Effectiveness in Cambodia report written for the Wolfensohn Center for Development at Brookings.³¹ Acknowledging both the problem and the constraints it faces, the CRDC/CDC has adopted approaches and instruments for coordinating aid in this fragmented environment.³² The following approaches were adopted to manage the diversity of funding sources: 1) strengthen public financial management at the central and sector levels; 2) prioritise action at the sector level 3) increase the number of programme-



Fragmentation & Duplication

"Aid to Cambodia remains highly fragmented with over 35 development partners financing more than 700 projects, which implies duplication, a lack of coordination, difficulty in reporting on results, parallel planning, implementation outside of the budget process and a disproportionate burden on local capacity. The use of program-based approaches (PBAs) is one way to address fragmentation. Yet, progress in establishing and consolidating PBAs has been slower than anticipated."

- *Aid Effectiveness in Cambodia, Wood et al 2008, page 24.*



based approaches; and 4) increase the use of delegated cooperation or co-financing arrangements.

CRDB/CDC initiatives undertaken to implement these approaches demonstrate that there is a willingness to address the problem of fragmentation and reduce duplication without limiting the flexibility that development partners expect in employing different aid delivery modalities in their sectors of preference. With the exception of government respondents in the health sector who felt that considerable efforts were made in this regard, most other online survey respondents were undecided as to whether RGC has taken appropriate action in determining the optimal roles of development partners, citing the tendency of some development partners to maintain the need for diversified aid delivery modalities, particularly the traditional project.

Participants in the project sample group discussions indicated that in their view there has been some improvement with regard to harmonisation among development partners. An example mentioned was the “Making Partnerships Effective” meeting which contributed to ‘structural’ progress in terms of the performance of Technical Working Groups, joint strategic planning, joint work plans and decentralisation and de-concentration. It can be difficult to distinguish between alignment (where all development partners comply with RGC procedures) and harmonisation (where development partners themselves take the lead in establishing common procedures and approaches) but it appears to be clear that in both cases there must be initiative and commitment by RGC to take the lead and see that development partners either support RGC processes or develop common approaches that lower the transaction costs of doing business.

Other significant changes were identified in specific sectors (i.e. Health, Education, Decentralisation and De-concentration) which developed medium term expenditure frameworks and strategic plans (e.g. Agriculture and Water, Gender, Mine Action). Nevertheless, discussion participants observed, as noted in the adjacent text box, that there are still many projects and relatively few programmes; and, all projects require committees and Focal Points and reports. Regional developmental aid further complicates matters by pulling Focal Points into regional training, attending conferences, taking part in study tours, and being away from their regular work and monitoring functions. The majority of participants still felt that it will be some time before there are equal partnerships aligned with country partners’ objectives at the local level.

FINDING 15:

Efforts are being taken to harmonise aid delivery by encouraging programme-based approaches, delegated cooperation and co-financing arrangements but not sufficiently to reduce duplication and aid fragmentation which continues to pose concern for the government’s capacity to direct and coordinate resources effectively. Continued aid fragmentation also places an administrative burden on government partners and funding recipients. Where alignment with RGC procedures or development partner harmonisation has been effective, it is usually associated with strong RGC leadership working to address these concerns and trying to improve working practices.



Consequences of Fragmentation & Duplication

Although development partners talk about harmonisation and alignment, they have not yet standardised their reporting which makes reporting onerous and leads recipients to need to report in many different styles. Also, the absence of standardised objectives and indicators of aid leave those receiving aid trying to satisfy differing aid objectives instead of harmonizing and aligning objectives for greater effectiveness.

- Testimonial from sample project group discussions



2.2.2 Development partner policies and procedures

The online survey provided some insight on whether the PD has influenced development partners' policies and procedures. Recognising that there are differences across sectors, online survey responses from all three stakeholder groups noted that in the health sector the use of co-financing mechanisms has increased. Delegated cooperation mechanisms have been observed in a few sectors with the exception of rural development and gender equality programming. In the survey, government respondents overall and in the health sector specifically, tended to disagree that there has been more harmonization of technical cooperation, whereas responses by development partners and civil society organisations indicate that they see some progress. Most stakeholder groups are undecided as to whether development partners have promoted the use of local and regional procurement by ensuring that their procedures are transparent and allow local and regional firms to compete fairly. The need for greater transparency and openness to local capacity utilisation and south-south cooperation were also noted in most responses to the survey. This need was also reflective of comments made in the tracer groups.

Tracer study interviews also revealed that the European Union development partners adopted a revised Road Map in December 2009 that was clearly influenced by the PD. The Road Map is aligned with Cambodia's Action Plan on Harmonisation Alignment and Results and addresses several aid effectiveness issues. Specifically, Objective 1 of the Road Map promotes division of labour and joint programming which should contribute to reducing aid fragmentation and to promoting programme-based approaches. Activities within Objective 2 focus on strengthening and promoting the use of the country systems, especially monitoring and evaluation, as well as promoting mutual accountability. Activities prioritised in Objective 3 will strengthen capacity development contributions of technical cooperation necessary for achieving the aid effectiveness at sector level.

The prevailing view of both the sample project groups and online survey respondents across all stakeholder groups was that development partner country office staff are guided by the policies and requirements of their Headquarters more so than by the principles of alignment and harmonisation. There are significant differences of opinion in the health sector and also in the general responses as to whether organisational and staff incentives or delegated authority procedures have been introduced to encourage country office staff to follow aid effectiveness principles.

FINDING 16:

Development partners' policies and procedures, and in particular the requirement to meet disbursement targets and comply with their own results reporting and accountability procedures, have a stronger influence on staff behaviour than the PD principles and tend to drive the partnerships and the selected aid delivery modalities. Whether organisational and staff incentives have played a role in the modest increase in harmonised aid delivery modalities is uncertain and would require additional research.

2.2.3 More predictable and multi-year commitments on aid flows

The predictability of aid flows is crucial to sound development management in Cambodia where ODA accounts for 9-10% of GDP since 2005. Chanboreth and Hach estimated that aid volatility affected about 10.3% of aid between 1992 and 1996 but has become less volatile since then measuring only 6.4% between 2002 and 2006.³³ By comparison the 2007 PD Monitoring Survey data for indicator #7 on aid flow predictability suggests that close to 100% of planned allocations to the government sector were disbursed as indicated. This figure is an aggregate number for all development partners and therefore

masks some degree of volatility for individual development partners and projects. To the extent that progress has been made, it is to be associated in part with the introduction of the Multi-year Indicative Financing Framework (MYIFF), which records annual estimates of support, and the Cambodia ODA Database, which promotes diligence and discipline in reporting. RGC reports that development partners have effectively supported these efforts. MYIFF estimates of disbursements are an aggregate projection broken down by sector.

In 2009, 93% (885 Million USD compared with the planned 951 Million USD) of ODA budget allocations by development partners was disbursed, and the 2010 projected disbursement is 972 Million USD compared with 1,097 Million as indicated by development partners in the 3rd CDCF meeting in early June 2010).³⁴ These numbers indicate that aggregate aid disbursements have been predictable and that, although there are costs to any volatility in funding, the effect is minimal in Cambodia, especially taking account of the fact that only investment funds are included in the budget (i.e. most TC is excluded). As aid in the budget increases, the importance of ensuring predictability will also increase.

FINDNG 17:

Aid flows to the government sector are more predicable through use of the Multi-year Indicative Financing Framework which indicates that aid continues to be predictable within a +/- 10% range. Effective monitoring of aid flows is undertaken through the Cambodia ODA Database which is the on-line system maintained by CDB/CDC with effective cooperation of the development partners.

2.2.4 Integration of global programmes and initiatives

Most online survey respondents agreed that global programmes have increasingly made use of sector strategies/plans and established coordination mechanisms. Government responses tended to see more alignment of development priorities, programmes, monitoring and reporting systems, as well as mutual accountability frameworks with those of the RGC. However, development partners overall did not consider global programmes have aligned and harmonised their priorities and programmes with those of the RGC and other donors resulting in significant differences of opinion, especially in the health sector.

The National Strategic Development Plan (NSDP) set out the intention of spending the majority of health resources on primary health care during 2003-05, but in practice around 60% of donor funding was allocated to HIV and other infectious diseases. A recent technical approach paper titled *Global Health Partnerships and Country Health Systems: the Case of Cambodia* (HLSP Institute July 2009) examined this problem and concluded that while global health partnerships, e.g., GFATM and GAVI have strengthened country health systems they also contributed to a growing misalignment between development partner and government priorities. The focus on communicable and infectious diseases combined with the relatively large budget allocations tends to draw attention and resources away from stated health care priorities. The paper recommended that future global health partnerships be better aligned with the emerging Sector Wide Management (SWiM) approach ideally by co-financing the Health Sector Support Project or by using delegated cooperation or co-financing in a harmonised way.

FINDING: 18

There is a considerable divergence of opinion with regard to the development practices of global funds in the health sector, although the documentary evidence suggests that alignment and harmonisation could be improved.

2.3 DELIVERING AND ACCOUNTING FOR DEVELOPMENT RESULTS

2.3.1 Capacity to develop and implement results-driven national strategies

The document content analysis demonstrated that the government has placed considerable attention on four components that should contribute to results driven strategies. First, the NSDP includes a monitoring and evaluation component for tracking of indicators which the recent NSDP update recognises as a good first step but one which needs strengthening. Second, Joint Monitoring Indicators were first established in Cambodia in 2004 and subsequently established for sector level work in 2006. The current updated May 2010 Joint Monitoring Indicators combine indicators on aid effectiveness and sector progress which is well-suited to effective managing for results. Third, each sector is tasked to have a monitoring and evaluation system in place. In some sectors, e.g., education, health and gender, the monitoring and evaluation system is considered to be functioning well as verified by those TWGs. Finally, the importance of integrating planning, budgeting and aid programming exercises has been emphasised as necessary to ensure that resources for inputs and activities are reflected in national and sectoral plans and budgets (see section 2.2.4).

A review of NSDP statistical tables by sector³⁵ revealed a lack of continuity in available data from one year to the next for both the health and rural development sectors making it difficult to conduct a trend analysis of key indicators. In contrast, the UN's Common Country Assessment data prepared for the programming of UN resources, included CMDG statistical tables that were more recent and complete and contained baseline reference data as points of comparison. The two exercises appear to be working in parallel (one is routine, the other was task-specific for the UN) with similar and complementary use of indicators, demonstrating the need for development partners to provide support for national poverty monitoring and data management capacities.

FINDING 19:

Planning for developing results-driven national strategies is well advanced although implementation of the system in a continuous and consistent manner will require additional capacity building for national monitoring of NSDP as well as sectoral and sub-national routine data collection and monitoring systems.

2.3.2 Accountability to parliamentarians and citizens

The RGC, and in particular the executive arm, is working towards improving accountability to parliamentarians and citizens although at times this process has been slow. Examples of this process include: strengthening the budget exercise, budget discussions in parliament and dissemination of the budget as a public document; capacity development at the National Audit Authority (NAA) which conducted its first national audit based on 2006 fiscal year data which began a trend for increasing transparency and accountability in public financial management, including development assistance funds. Another example is the Inter-Parliamentary Union (IPU) which is currently undertaking a study to inform parliamentarians on issues related to improving accountability and provide recommendations on how to strengthen their engagement in the budget process and the management of ODA. Finally, the Royal Government of Cambodia is in the process of establishing an access to information law.

It was also noted that part of the Decentralisation and Deconcentration mandate has been to increase accountability and responsibility, i.e., the Commune Investment Plan (CIP) is a good example: before the Commune Council decides on any activities they need to consult with villagers regarding expenditures on activities in the budget.

Additional mechanisms to improve transparency have also been introduced. These mechanisms include: joint sector reviews as practiced in the education and health sectors; tracking of joint monitoring indicators which is an accepted responsibility of all 19 TWGs; and, the NSDP annual review which further contributes to transparency and accountability for development results. All these reports and disbursements are public documents which CRDB/CDC publishes on the ODA database. Thus, development partners are able to make this information available to their citizens and parliaments. This is confirmed by the online survey data which shows general agreement across all stakeholder groups that Cambodia has provided transparent access to information on aid-funded activities through the Cambodia ODA Database and that all major development partners do publicly disclose timely information on budget allocations and programme investments.

The responses to the on-line survey with respect to transparency and accountability since the advent of the PD reflect similar progress being achieved. Government respondents noted that the public financial management reforms were being rolled out at the line-Ministry level and that the oversight function is being performed by the Economic and Finance Committee of Parliament. They also noted that the Anti-Corruption Law was recently passed by Parliament in March, 2010. An Anti-Corruption Unit was established within the Office of Council of Ministers to conduct investigations. It remains to be seen how this law, after a decade of dormancy, will be implemented.

On the other hand, the online survey revealed that most development partners disagreed that Cambodia has facilitated parliamentary oversight and addressed corruption. While civil society organisations also generally disagreed that progress was being made in these areas, noting that the 2006 Audit Report was only made public in 2009 and that while Parliament has been receiving increased budget information, it lacks outcome or results information. It was also pointed out that administrative mechanisms put a burden on economic development and lend themselves to systematic corruption (cited in the survey along with dubious audit practices at the sub-national level). The scepticism expressed by these stakeholders is supported by the World Bank Country Policy and Institutional Assessment (CPIA) data for Cambodia (2008); especially given that the country's lowest scores were for Property Rights and Rules-based Governance (2.5), Quality of Public Administration (2.5) and Transparency, Accountability and Corruption in the Public Sector (2.5).

FINDING 20:

The RGC is making serious efforts to improve accountability to parliamentarians and citizens although the positive outcomes of these initiatives have yet to be realised sufficiently to influence key stakeholder perceptions and external performance ratings and rankings. Financial transparency and accountability is often at the level of accounting for inputs. But performance and output-based budgeting (and associated accounting practices) are now being adopted as part of on-going reforms. Development results are also discussed in some detail in the NSDP reviews that are prepared every eighteen months.

2.3.3 Transparency and accountability for development results

Mutual accountability, one of the five principles of the PD, is commonly understood as an agreement between parties under which each can hold the other responsible for delivering on its commitments.³⁶ The challenge with accountability relations in a development context is its asymmetric character: the funding recipient tends to be accountable to the development partners who can potentially enforce accountability through the control of the funding; while development partners are less if at all accountable to recipients.

Traditional aid instruments, i.e., poverty reduction support credits, budget or sector support with donor imposed conditionalities is all about enforcing the accountability of the funding recipient to the development partner. The PD aimed to move beyond this toward building relations of mutual accountability among all stakeholders, i.e., government (at all levels), development partners and civil society. However, it focuses primarily on the answerability of stakeholders to one another, i.e. to justify their decisions and actions and to make available performance information; it is largely silent on enforceability, particularly where development partners are concerned. At a central RGC-donor level, there are a number of examples of portfolio reviews, with most development partners conducting some form of country programme appraisal together with either quarterly or annual reviews (although these do not always include a role for CRDB/CDC, which is the RGC mandated agency so it is difficult to verify the issue of mutual accountability and overall aid effectiveness). The sample project group discussions facilitated by the evaluation team explored with the participants what were the most significant changes with regard to delivering and accounting for development results at the project level. The findings are presented in this section.

The Commune Investment Plan was confirmed as a mechanism to encourage participation and dialogue; and contribute to mutual accountability for development results. Participants in sample project group discussions, especially heads of projects, local government departments and senior advisors, identified the most significant change over the last few years being how various stakeholders have exercised mutual accountability in a systemic, transparent and structured manner. Examples included their participation in the strategic planning of the government, in writing work plans with line Ministries, e.g., natural resources and women's affairs, and in influencing how development partners shape and align their development plans. To ensure transparency, the projects that required larger budgets, i.e. more than \$500, underwent a public bidding process. Some participants also emphasized that there is now more involvement by the RGC with villagers during project implementation. Both project implementers and Commune Counsellors affirmed that all information relevant to the projects were announced and disseminated publicly through commune meetings, information boards, etc.

The majority of group discussion participants from provincial levels acknowledged that since the decentralisation and deconcentration programme was launched NGOs have become more involved in project governance (see adjacent text box). Regular meetings to discuss project progress, challenges and opportunities have served to build relations of mutual accountability for development results between provinces and the NGOs.



Provincial Level Accountability for Results

Provincial representatives organise meetings which take place regularly with NGOs once every three months. The first annual meeting is set at the beginning of the year to share priorities and annual operating plans with each other. The second to third meetings are held to share information and report on project progress; discuss challenges and potential solutions; and seek support from each other if needed.

- *Testimonial from sample project group discussions*



Commune Level Accountability for Results

Commune Counsellors report the results of project activities in monthly meetings. The villagers are encouraged to observe the meetings however there are only a few who do. The villagers observe the meeting mostly when receiving compensation and encouragement from NGOs who operate at the commune level.

- *Testimonial from sample project group discussions*



The topic of internal and external monitoring and evaluation (M&E) by line Ministry Focal Points was also discussed during the sample project group discussions. An M&E Manual was published which includes the role of M&E focal points within line Ministries, but many NGO and Commune level participants felt that the Focal Points were “inspectors” or “spies” suggesting a lack of understanding of the role. Participants from line Ministries admitted that it is difficult to dispel this perception. Resourcing and capacity of line ministry M&E staff has also been a well-noted challenge with many TWGs identifying this issue as amongst the most significant aid effectiveness issues to be addressed (e.g. Forestry, Fisheries, Land TWGs). Development partners also note the limited role and profile of M&E officials in their work with line ministries.

Reflecting on the project and country level, the majority of Cambodian participants in the group discussions supported the view that development partners needed to be held accountable for aligning with the development priorities of the Cambodian people and not just to harmonise their efforts with other development partners. This was considered especially important for those development partners who have promoted the need for decentralization to ensure greater buy-in from more Cambodians and not just the central or national government. Group discussion participants acknowledged that most development partners have a monitoring and evaluation function built into their programmes and projects, but they also felt that these M&E systems should include an assessment as to whether or not the “culture of aid” changes with respect to the development partner’s implementation of the PD principles. It was suggested that such an assessment could ask, “Why is standardization still so difficult if alignment and harmonization are the guiding principles for effective aid delivery?” Some group discussion participants suggested that development partners should be scored for the changes in their own behaviour and attitudes and that score cards designed for this purpose needed to be part of the development process; M&E systems should not just be used solely to monitor the behaviour and attitude changes of funding recipients and project beneficiaries.

This evaluation report has already identified and described the many structures, aid coordination mechanisms, administrative systems and process that were designed to promote mutual accountability at the country level in Cambodia. A brief enumeration of these will serve our purpose as a reminder, including but not limited to: the CRDB/CDC, the GDCC, the TWGs, the NSDP, the Rectangular Strategy, the Mid-term Review, CMDG Reports, JMIs, MDG Monitoring and sector-specific M&E capacity development.

FINDING 21:

The Paris Declaration has enhanced transparency and mutual accountability at the country level in Cambodia, although accountability relations with development partners have remained asymmetric. Encouraging signs of mutual accountability among government and civil society stakeholders at the provincial and commune levels were also identified.

3. STRENGTHENED CONTRIBUTION OF AID TO SUSTAINABLE DEVELOPMENT RESULTS

Q3: *Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results? How? (Development outcomes)*

As noted in the evaluation matrix, the Paris Declaration (PD) statement of intended outcomes is to increase the impact of aid on: building capacity, reducing inequality, increasing growth, reducing poverty and accelerating achievement of the Millennium Development Goals. These are by any measure

challenging outcomes to demonstrate let alone attribute to the Paris Declaration. The Diffusion/Contribution Model adopted by the evaluation and described in section 1.5 identifies three main lines of evidence to assess the contribution of the Paris Declaration to sustainable development outcomes: tracer studies, project profiles of a sample of ten development (project) investments and group discussions with stakeholders including beneficiaries associated with the sample. This section has been structured to address all required topics in the Evaluation Matrix (see Annex A in the Technical Volume) but in a sequence that is more consistent with the contribution analysis approach. This means that the questions of “enhancing results in specific sectors” and “impact on the Cambodian Millennium Development Goals” are addressed last.

3.1 VALUE OF NETWORKS IN BUILDING EFFECTIVE PARTNERSHIPS

This section responds to a Cambodia specific evaluation question regarding the value of networks, particularly the Technical Working Groups (TWGs), which are an important component of the aid architecture in Cambodia and the most significant example of partnership building among government, development partners and CSOs.

The Royal Government of Cambodia (RGC) initiated Technical Working Groups in 2004 to serve primarily as an aid coordination mechanism and support body under Cambodian leadership. Several lines of evidence suggest that value has been added to the development process through the existence of these formal networks. The expressed benefits identified by sample project and tracer study group discussion participants noted that TWGs assist in matching development partners with issues that need to be addressed; others noted that TWGs help individuals identify the right person to get something done; while others point out that participation in TWGs has increased their confidence to work effectively with stakeholders from other sectors, organizations or cultures. TWGs are also considered useful in terms of sharing information and having flexibility in dealing with problems and issues formally and informally. Overall, TWG members appreciate that this aid coordination mechanism is very valuable in building effective partnerships and advancing the aid effectiveness agenda.

It is commonly believed that in Cambodia real results can be effectively promoted through informal relationships as well as through formal procedures. TWG members become familiar with one another through the formal committee processes which encourage more openness and a willingness to seek advice and assistance from each other informally. It was reported on several occasions that what previously happened was that secretariat-level staff would often say "Ask your Minister to write to my Minister" which meant the problem was unlikely to be addressed and resolved. Individual relationship building allows TWG members to use informal networks to discuss and even resolve issues prior to TWG meetings. This was frequently mentioned by stakeholders as a major benefit of TWGs.

There were also challenges identified with regard to TWG composition and committee processes. Several tracer study group discussion participants suggested that some TWGs need to be more representative of both CSOs and the private sector. A broad cross-section of stakeholders suggested that the perceived status of individual members and the organisations they represent can impede open and frank discussion; the lead Ministry for the TWG is often represented by the highest ranking government official while related sectors and CSOs are represented by less senior representatives. Unless care is taken by the TWG Chair to exercise inclusive and participatory committee processes, all voices are unlikely to be heard and the opportunity to take action may be diminished. Several CSO representatives noted that for TWGs to be effective all members need to receive all background information beforehand and meeting minutes afterwards. At present the input of CSOs varies depending on the specific TWG and how the above challenges are managed.

Aside from their routine Ministry tasks, government partners have responsibility for ensuring that the TWG and its Secretariat are well functioning. They frequently mentioned that TWGs have increased their workload which suggests that aid coordination is an additional task not fully integrated into the position descriptions of those responsible. This situation highlights how the PD could increase the burden of administration for government and affect the potential that TWGs have for improving aid effectiveness.³⁷

The TWG Capacity Assessment (June 2007) conducted as an internal government exercise also identified some technical capacity issues that constrain the effectiveness and performance of TWGs. For example, it was necessary for more people to gain increased understanding of PD principles, aid modalities, programme-based approaches, and the aid effectiveness jargon. All TWGs also required capacity building in data analysis to inform policy making decisions within their sectors. Apart from these, the requirement to have improved equipment and opportunities for learning and sharing experiences with other TWGs was also identified.

Many interviewees and members of tracer study group discussions noted that there was good value in the Aid Management training courses on the PD, programme-based approaches, etc. Funding for these courses, which took place between 2007 and 2009, was provided through the Multi-Donor Support Program (MDSP) and included the 2-week residential course in the Philippines which was the big breakthrough that brought together sectoral staff and CDC for an extended period. Participants reported that the success of this course led to increased post course participation and engagement in TWGs and other networks. Follow-up 2-3 day training courses to continue to build capacity have been delivered in Cambodia. Positive comments were also made with respect to the capacity development benefits of the 'Making Partnerships Effective' initiative including the explicit acknowledgement of the significance of partnership dynamics and the need for incorporation of values such as equity, transparency and mutual benefit in partnership-building activities.

FINDING 22:

There is substantial value in building formal and informal networks through participation in Technical Working Groups which are now an important and sustainable part of the aid architecture in Cambodia. While challenges and constraints to the effective functioning of TWGs were identified, capacity building solutions were also recently implemented. Composition, committee processes and workload management however remain concerns for some government and development partners, and particularly for CSOs.

3.2 EFFECT ON SOCIAL CAPITAL AND INSTITUTIONAL CAPACITY

This section addresses the effect of the Paris Declaration on building social capital and institutional capacity to effect change in development processes and government systems. It should be read in conjunction with Question 2 where public sector reform initiatives to strengthen national financial management capacity and procurement systems were described.

Social Capital

Since there are a wide range of definitions of social capital, for this evaluation, the team selected the World Bank accepted definition by Grootaert and van Bastelaer: "Institutions, relationships, attitudes and values that govern interactions among people and contribute to economic and social development" (2001:4).³⁸ For social capital to be created, people who share values and norms need to work together effectively in groups to achieve common ends. In essence, social capital is individuals banding together to defend their interests and organize to support collective needs.

In Cambodia, initiatives have been taken to build social capital, which include development of informal relationships among different stakeholders. Although TWGs are formal, they introduce a variety of stakeholders to each other in a peer to peer setting which brings them together to support the common goals of promoting aid effectiveness. Building on what was noted in the last section, the collaborative spirit of many TWGs also begins to break down formal barriers and create opportunities for dialogue and interaction through other more established networks and relationships that exist for other purposes. This creates positive social capital.

Administrative capacities have therefore been addressed as the core reforms make increasing reference to the PD and the JMIs have strengthened this link. The NSDP, which provides a summary account of capacity development at an aggregate level, also emphasises the role of development assistance in supporting administrative capacity in both Government and non-Government arenas. The NSDP also serves to provide a framework for consultation between all different stakeholder groups while the 10-year Sub-National Development Strategy operationalises the Organic law, which provides for consultation and accountability to citizens at all levels of government. A more specific capacity development strategy for RGC is currently being prepared by the Council for Administrative Reform. For their part, development partners have provided support in excess of the RGC's stated governance resource requirements and can therefore be seen to fully support this aspect of social capital development. As each respective reform has matured and evolved, development partners have responded by adapting their own programmes of support, e.g. for sub-national democratic development and for PFM reform (issues concerning technical cooperation are addressed earlier in the report).

Experiencing other ways of interaction outside the hierarchical chain of command has been encouraging for government partners to more effectively utilise their capacities. Initiatives by CRDB/CDC including TWG networks develop partnerships with other stakeholders that appear to be successful but it is early to assess the long term effect. Nevertheless the values demonstrated in this approach to building networks and partnerships are those which underlie the PD – values including equity, transparency, openness and honesty in relationships as pre-conditions to building trust across stakeholder groups.

If application of the PD is only through formal structures, cultural evidence in Cambodia would suggest that it may be less successful in terms of developing social capital than by combining formal structures with informal relationship building opportunities for dialogue among the various stakeholders. These informal discussions also allow time for participants to reflect on lessons learned from the PD experience. To understand how best to build social capital, it will be important to understand whether the internal cultures of development partners are consistent with, or contradictory to, local social capital. It must also be noted that, at best, the PD considered social capital implicitly through more concentrated efforts aimed at developing capacity in government and civil society to engage in dialogue around national development.

Another consideration in terms of building social capital was clear from the 10 sample project group discussions. Participants noted that their projects have increased the empowerment of the people at the grass roots level including particularly women and poor people. While further detailed discussion of these outcomes is presented in the following sections, these findings are consistent with articles and reports written about Cambodia. For example, in a recent article on social capital in rural Cambodia, the authors conclude that social capital “has the potential of enabling the poor and marginalized to participate and organize themselves in community development and society transformation processes”.³⁹ Some participants however also noted that the PD may work against social capital, i.e., the ability to form one's own initiatives, groups, societies, etc., by emphasizing the importance of formalized structures and systems which may undermine informal approaches. But in reality, formal

systems and culturally appropriate informal approaches to social capital, can co-exist and reinforce each other at both national and project levels in the regions.

Institutional Capacity

The on-line survey respondents agreed across all stakeholder groups that the PD has attracted funding to the CDC/CRDB to implement its mandate and also given credibility to its leadership role as a “one-stop-shop” to discuss aid effectiveness issues. The ability of government partners, particularly CRDB/CDC to consult with development partners and other stakeholders, has improved. This point was expressed in the third tracer study group discussion in which it was noted that TWGs provide opportunities for government and development partners to work separately and together in joint sub-groups. All of these opportunities for exchange and dialogue contribute to development of institutional capacity. This was confirmed during the CSO high level dialogues in which the importance of multi-stakeholder efforts, including civil society organizations, was emphasized to help build the institutional capacity of all stakeholders.

When asked about the level of sustainable increases in institutional capacities of the government, development partner respondents to the online survey indicated that they thought that the results were less than expected in terms of: improved administrative capacities, development of national public financial management and procurement systems, as well as reporting on development results. Government respondents were much more positive on the reforms undertaken than development partners or civil society respondents with few exceptions. Section 2 of this report describes in considerable detail initiatives that have been undertaken by the RGC and the incremental results that have been achieved through the Public Financial Management Reform Programme, Budget Strategy Plan, and the capacity challenges faced in strengthening public financial management and procurement systems. At the sector level, while line Ministries are beginning to link their sector planning with the Public Financial Management Reform Programme, development partner respondents to the online survey were significantly less optimistic than their government counterparts about institutional capacity results achieved.

Systems Integration

Online survey data and tracer discussion groups indicate that development partners, in general and in the health sector in particular, still see future challenges with respect to integrating planning, budgeting, monitoring, and evaluation information into a coherent system; government survey respondents, especially in the health sector, were much more positive than development partner responses. The same divergence of opinion exists on the development of cost-effective results management instruments to assess the impact of development policies. CSO respondents and development partners think that more work needs to be done in the area of systems integration. They pointed out in survey responses that indicators at the outcome and impact levels did not change when comparing the 2009-2013 Update of the National Strategic Development Plan with the 2006-2010 version, suggesting perhaps those past lessons learned have not been integrated into decision making processes. However, the RGC has undertaken a recent initiative to address systems integration in the aid architecture. Established in August 2009, the Taskforce for managing the process of harmonization between planning, government public investment expenditure and aid cooperation financing began work under the Committee for Economic and Finance Policy chaired by Deputy Prime Minister Keat Chhon. The taskforce organized two meetings to discuss the process and function of the members. Future Technical Working Group meetings will provide support to the systems integration process.⁴⁰

Health Sector

While the TWGs for health was viewed as having contributed to closer collaboration, transparency, accountability and mutual understanding among key stakeholder groups, the institutional capacities of

line Ministries and other key organizations, benefited less from PD influence. For example, the National Aids Authority, which has a mandate to coordinate the National Strategic Plan for a multi-sectoral and comprehensive response to HIV/AIDS, was unable to mobilize financial resources from development partners to implement its costed plan. Ministry of Health programming was considered unaffected by the aid effectiveness agenda since they were reluctant to coordinate efforts internally or externally with other ministries and hadn't taken a leadership role with the development partners in support of the National Aids Authority. It is noteworthy that no examples of positive benefits accruing to line Ministries were cited by the online survey respondents while both government and development partner respondents identified aid fragmentation as problematic in the health and rural development sectors.

The health sector has been well resourced and received strong commitment from the government. The experience of the health sector has been positive in being better able to deliver services and respond to development challenges. "Progress has been made in strengthening the planning function within the health sector. The Ministry's second strategic plan (HSSP 2) sets out a vision for the sector including a capacity development plan. It also offers a framework for harmonizing and aligning external aid behind a Ministry-owned development strategy".⁴¹ Notwithstanding this, it is a challenge to develop an interdependent and integrated health care delivery system at the national and provincial levels. Therefore the focus in the health sector is now on building capacity and supporting systemic reforms to public administration, public financial management reform and decentralization and de-concentration.

Rural Development Sector

In a predominantly rural country like Cambodia, rural development is extremely important. Well before the PD, many successful initiatives and projects to improve rural development had been undertaken by the government and development partners. Sector management has evolved considerably since and Cambodia is now part of the Global Donor Platform for Rural Development (GDPRD) which facilitates the networking of organizations in the agricultural and rural development sectors. But CSOs are less involved and made several salient points which were corroborated by statements made by our sample project and tracer group discussions on rural development. The CSO perspective was outlined in *CSOs and Aid Effectiveness in Agriculture and Rural Development Report*⁴² which was based on a 13 country consultation that made the following conclusions re Cambodia:

- CSOs not participating in government monitoring processes (and not being invited);
- CSOs don't invite government representatives to take part in CSO-led processes;
- Relationships between northern and southern NGOs are often patron-client relationships;
- Too many government ministries involved and too few well coordinated mechanisms;
- CSOs not concerned with alignment as noted in PD but only with achieving their goals;
- Government ownership is critical but national policy needs to include CSOs;
- CSOs report no access to information about government policies and programmes; and
- CSOs find conforming to formal government/development partner procedures difficult.

FINDING 23:

Social capital has been enhanced at many levels beginning with the aid coordination mechanisms through to the project level which is consistent and supported by the PD principles, but not initiated by it. Similarly, institutional capacities are also being strengthened through various national reform initiatives to improve administrative capacities and national public financial management and procurement systems. Given the existing institutional and human resource capacities, progress has been understandably incremental and uneven, especially among line Ministries, leaving development partners and civil society organisations impatient with the pace of change.

3.3 MIX OF AID DELIVERY MODALITIES

This section examines the mix of aid delivery modalities in Cambodia with a focus on the health and rural development sectors with a view to determining the extent to which the Paris Declaration has influenced the evolution of the programme-based approach as one of the primary strategies for promoting the alignment and harmonisation of development assistance.

	2004	2005	2006	2007	2008	2009	2010
Investment project / programme	260.8	290.1	351.9	419.1	594.3	613.3	737.0
Technical Cooperation	263.5	287.3	248.0	293.9	313.3	299.7	267.7
Budget support	6.4	6.9	91.2	42.0	15.8	36.0	30.0
Food aid & emergency	20.2	17.1	20.7	21.7	29.9	26.1	32.8
Unknown	4.6	8.5	1.4	0.9	2.4	14.4	18.4
Total Disbursements	555.5	609.9	713.2	777.6	955.7	989.5	1,085.9

Source: Aid Effectiveness Report 2010

In 2009, based on the above table, investment project/programmes represented 62%, technical cooperation 30%, and budgetary aid 3.6% of the total share of aid.⁴³

Defining programme-based approaches

It is instructive to first examine what is meant by programme-based approaches (PBAs) since they are such an important component of the Cambodian aid architecture representing at least 28% of all development investments.⁴⁴ Simply stated they are a way of engaging in development cooperation based on the principles of co-ordinated support for a locally-owned programme of development, such as a national development strategy, a sector or thematic strategic plan, or a programme of a specific organization or institution. The accepted Paris Declaration definition of a programme-based approach is found in the 2005 OECD-DAC report *Harmonising Donor Practices for Effective Aid Delivery*. Its defining characteristics are as follows:

1. Leadership by the host country or organisation;
2. A single comprehensive programme and budget framework;
3. A formalised process for donor co-ordination and harmonisation of donor procedures for reporting, budgeting, financial management and procurement; and
4. Efforts to increase the use of local systems for programme design and implementation, financial management, monitoring and evaluation.⁴⁵

CRDB/CDC has more recently defined a PBA, in the Cambodia context, as an effort by Government to lead a sector (e.g. health), thematic issue (e.g. gender) or a reform programme (e.g. public financial management, decentralisation) in a coordinated way to achieve results in an efficient and sustainable manner. It then identifies components similar to those included in the OECD-DAC definition.⁴⁶

Notwithstanding this relatively clear and explicit definition, the relative importance accorded to each characteristic is open to interpretation in any given circumstance and, allowing for flexibility, can easily lead to confusion and blurring of the lines between a PBA, a programme and a project, and possible inaccurate categorisation of development investments.

The Education SWAp has the longest history and has contributed to improved alignment and reduced government transaction costs with the use of pooled funding mechanisms although sector budget support remains modest. The development of a Trade SWAp has been ongoing since 2005 and represents a framework for channelling Aid for Trade resources to enable pro-poor growth through

trade development. The emerging SWiM approach is unique to the health sector and has facilitated alignment, aid coordination, implementation and monitoring of the Health Sector Strategic Plans. It provides a framework for the development partners, i.e., World Bank, DFID, UNFPA, UNICEF, WHO, Japan, GTZ, USAID, etc. to support various modules of the health strategic plan that are to be co-ordinated with one another. While there has recently been some basket or pooled funding mechanisms established there does not appear to be any sector budget support.⁴⁷ Nevertheless, the Health SWiM appears to be evolving toward a full-fledged SWAp.

A PBA is viewed by the RGC as a dynamic process rather than an end-state. As such, other sectors have made progress in establishing their PBAs. For example, for Agriculture and Water, a 5-year strategy has been agreed with development partners, with a view to introducing a comprehensive budget and medium-term financing framework (as part of PFM reform). Joint dialogue mechanisms also exist in the form of a TWG and a joint review and monitoring framework is being established. The Fisheries, Rural Water, Trade, Land and HIV “sectors” have made similar progress while reform programmes in PFM and sub-national democratic development also employ a PBA-type approach in their planning, partnerships, financing and review. As these PBAs mature and more ODA is aligned with them, there is an increased probability of moving towards the PD target of 66% of ODA to be provided through PBAs, although this target is not likely to be met by the time of the final monitoring exercise in early 2011.

Also included in the definition of a programme-based approach is the inclusion of a “coordinated focus on capacity development at the programme/sector level”. Given that most technical cooperation is designed to build capacity at the national, sub-national or local level, this broadens somewhat the definition of a programme-based approach, even with the caveat that it is provided at the “programme/sector level”. Programme-based approaches are delivered with almost all of the types of assistance in the table above, so further discussion of PBAs will occur within the context of the health and rural development sectors.

Programme-Based Approaches in the Health Sector

Discussions to develop a programme-based approach to the health sector date as far back as 1997, however it was in 2002 when the Ministry of Health (MOH) proactively led the process of developing the Health Strategic Plan (HSP1) for 2003-2007. HSP1 includes: strategies and outcomes to guide development partner inputs to the sector; a Medium Term Expenditure Framework (MTEF) indicating support from different partners to specific components; and a performance monitoring and evaluation framework.⁴⁸ The MTEF has a 3 year rolling horizon and is complemented by an Annual Operations Plan which reflects government, development partner and community co-financing.⁴⁹ The Technical Working Group – Health (TWG-H) provides management oversight and ensures aid coordination among the more than 70 members representing the RGC both nationally and provincially, development partners, non-governmental organisations and technical agencies. There are also sub-TWGs for HIV/AIDS, tuberculosis, malaria, mental health, and maternal newborn and child health, as well as Provincial TWGs for Health. The *Health Strategic Plan for 2008-2015* (HSP2) along with the *Strategic Framework for Health Financing 2008-2015* have further strengthened this programme-based approach with the desired outcome that “donor funds be coordinated through the SWiM/SWAp process and reflect the Paris Declaration”.⁵⁰ Nevertheless, the challenges of harnessing and channelling the diverse resources available to strengthen the health care delivery system at the national, sub-national and commune levels across all the Provinces in a consistent and equitable manner remains daunting.

The evaluation was provided with project “tombstone data” (name, dates, budget etc) on a population of 40 development investments in the health sector drawn from the Cambodia ODA Database that fulfilled the sampling framework criteria. Of those, 15 (37.5%) were categorised as supporting the sector PBA representing 46% of the sum total of all budget allocations; investment project/programme

assistance accounted for 6/15 (40%) and technical cooperation of either the free-standing or investment type accounted for the remaining 9/15 (60%). Only one project that was part of the PBA was identified as having used all of the following government systems, i.e., budget execution system, financial reporting system, audit system or procurement system, while another two used only one or more. Also, 6/15 had access to untied aid, 4/15 worked with partially tied aid, and 5/15 dealt with fully tied aid.

What is noteworthy is the high proportion of projects that support the PBA overall, their significant collective financial contribution, as well as the significant proportion of those involving technical cooperation investments. The average budget of these PBA projects was approximately US \$5.7M, ranging from US \$11M to as low as \$700K. It is therefore possible to assert that the ODA provided in this form has made some contribution to the results achieved through implementation of the sector plan but it is not possible to make particular attribution or to comment on whether they have been more effective than ODA more loosely associated with sector plans. What is surprising is the modest use of country systems even in the context of a long and well established sector wide programme-based approach. It should also be noted that three quarters of the PBA projects had access to untied or partially untied aid which eliminates this as a possible explanation as to why local systems are not used.

Programme-Based Approaches in the Rural Development Sector

Rural development does not exist as a sector; rather it comprises a number of sector programmes as well as the decentralisation reform. In almost all cases, the RGC has yet to articulate a strategy that enables PBA-type support so almost all ODA is provided in the form of projects. One exception is in decentralisation. In 2005 the RGC established a five-year National Programme for Sub-National Development, which is considered a prerequisite for poverty reduction. It was updated with a ten-year strategic framework in 2009. The National Decentralisation and De-concentration Programme (NDDP) is a single comprehensive programme with a logic model that sets out expected outputs and outcomes, an annual budget framework, and management structure including monitoring and evaluation. The National Committee for Management of D&D Reforms (NCDD) provides management oversight for programme activities with a 2009 budget of US \$82 M and works with 17 development partners which provide technical and financial assistance. The Technical Working Group – D&D, chaired by the Ministry of Interior, facilitates aid coordination. The NDDP brings together stand alone projects under one umbrella structure thus ensuring alignment and some degree of harmonisation. The largest group of development partners are focused on supporting the development of service delivery from a governance perspective while others are concerned with supporting service delivery and local development for the rural poor. While not identified as such in the available documentation, the NDDP appears to fulfill all characteristics of a programme-based approach along the lines of a SWiM or SWAp with a more thematic rather than strictly sectoral focus, i.e., on rural development. As noted above for health, the challenges of integrating all of this to strengthen governance at all levels is also daunting.

For the rural development sector the evaluation was provided with tombstone data on a population of 53 development investments drawn from the Cambodia ODA Database that fulfilled the sampling framework criteria. Of those, 9 (17%) were categorised as PBAs representing 40% of the sum total of all budget allocations; investment project/programme assistance accounted for 2/9 (22%), and pure technical cooperation of either the free-standing or investment type accounted for the remaining 7/9 (78%). No development investment categorised as a PBA was identified as using any of the following country systems, i.e., budget execution system, financial reporting system, audit system or procurement system. Also 4/9 had access to untied aid, 4/9 worked with partially tied aid, and 1/9 dealt with fully tied aid.

Although the proportion of programme-based approaches overall is low, the overall amount is significant due to one large investment-related project/programme, i.e. the US \$128M World Bank Rural

Investment and Local Governance Project. Excluding this project, the average PBA budget was US \$3.8M, with some as small as \$250-\$500K. What is not surprising is the modest use of country systems despite the availability of untied aid given that the rural development sector wide programme-based approach has a more recent history than that of the health sector.

Most line Ministries and provincial representatives, with which the evaluation engaged in group discussions, are of the opinion that the trend toward developing sector level medium-term expenditure frameworks and associated SWApS, SWiMS and PBAs, demonstrates that there is increasing Cambodian leadership and ownership which holds considerable promise for alignment of development investments in the future. There are however some disadvantages identified by group discussion participants, and previously described in this report, with regard to standalone projects which operate under the umbrella of a SWAp or SWiM, i.e., unclear accountabilities when multiple stakeholders are involved and the absence of standardised reporting requirements. The challenge for the government is to manage diversity without unduly imposing uniformity so that development partners are able to use a full range of aid modalities. The challenge for development partners is to better align their investments using programme-based approaches and harmonise their reporting requirements despite the increased liaison and administrative burdens that this may place on their resources. Most government and development partners recognise that there has been a short-term increase in the cost of delivering better aligned and harmonised aid using programme-based approaches but want to work to make this decrease over time.

Investment Projects and Programmes

The investment project/programme (IPA) is the most important type of development assistance in Cambodia. It is defined as the “provision of financing, in cash or in kind, for specific capital investment projects, i.e., projects that create productive capital which can generate new goods or services and is also known as capital assistance, Investment project/programme assistance may have a technical co-operation component.”⁵¹ Based on the ODA trend data for 2005-2009 presented in Figure 3 above, the dollar value of this type of assistance has increased by 70% between 2005-2009 reaching US \$493.1M and representing 58% of all aid flows. Given that grant funding has remained stable over the same period, while there has been a 65% increase in the amount of loan funding, it is reasonable to assume that a good portion of this increase in IPA funding can be attributed to concessional loans by various international financial institutions, e.g., World Bank, Asia Development Bank, and bilateral development partners, e.g., China, Korea, France, etc.

The Cambodia ODA Database provided to the evaluation tombstone data for 40 health sector development investments. These indicate that 14 (35%) were categorised as IPA, the majority having a technical cooperation component, representing 51% of the total budget allocation all of which was provided in grant funding. Upon closer examination, the disproportionately large contribution to the total budget can be attributed to Global Fund - Continuum of Care for HIV/AIDS programme (US \$36.5 M) without which the proportion of the total budget drops to 31%. The average IPA budget allocation is US \$6.8M, but when excluding the above programme it drops to \$4.5M.

For the rural development sector the evaluation examined the data for 53 development investments of which 15 (19%) were categorised as IPA, the majority having a technical cooperation component, representing 51% of the total budget allocation all of which was provided in grant funding. The disproportionately large contribution to the total budget can be attributed to the Rural Investment and Local Governance Project (World Bank - US \$128.2M) and the Natural Resource Management and Livelihoods Programme (Denmark - US \$65.3M) without which the proportion of the total budget drops to 31%. The average IPA budget allocation is US \$24.1M, but when excluding the above two investments, drops to \$6.0M.

What becomes clear from the analysis of this data for both sectors is that there are a few (3) large investment-related projects and programmes while the majority (26) are of a modest investment size with an average range of four to six million dollars. Further examination of the data showed a consistent pattern for both sectors in use of untied and partially untied aid, although the data set in this regard was incomplete for a significant number. While six IPA investments in the health sector are identified as programme-based approaches, only two in the rural development sector are identified as such including the large World Bank project noted above. This observation is consistent with the relative maturity of the sector wide approaches being employed in the two sectors. The data also suggests that while the RGC governance bodies established to manage these two sectors may have exercised oversight and even approved these investments to ensure alignment, almost three quarters of the IPAs appear to be stand alone projects that would be expected to contribute little to donor harmonisation at an operational level. This observation is supported by the online survey data indicating unanimous agreement across all stakeholder groups that development partner Country Office staff are guided by policies and requirements of their Headquarters, more so than by the principles of alignment and harmonisation.

Technical Cooperation

Technical cooperation is also an important type of official assistance in Cambodia. To make it as effective as possible, the RCG issued *Guidelines on the Provision and Management of Technical Cooperation* (2008) for government agencies and development partners intended to improve management practices and ensure that technical cooperation is aligned with RCG public administration reform priorities and approaches to human resource development. The guidelines state that for technical cooperation to contribute effectively, it must be flexible, innovative, support capacity development and respond to the local context; and, it should be jointly delivered under government leadership with South-South approaches preferred.

Based on the ODA trend data for 2005-2009 presented in Figure 3 above, the dollar value of aggregate technical cooperation remained unchanged at US \$280M in 2009, but has steadily declined as a proportion of all disbursements from 47% to 33%. Disaggregated free-standing technical cooperation (FTC), without reference to the implementation of any specific investment project, declined significantly from 42% to 26%, while investment-related technical cooperation (ITC), aimed at strengthening the capacity to execute specific investment projects, and more than doubled from 4.4% to 11.2%. In a context of increased government and development partner cooperation on public sector reforms, sector wide planning and harmonisation of technical cooperation, one might not have expected FTC to have decreased so dramatically and ITC to have doubled, although these trends did not continue in 2009.

The Cambodia ODA Database tombstone data provided to the evaluation for 40 health sector development investments indicates that 20 (50%) were categorised as FTC and 4 (10%) as ITC, representing 22% and 19% respectively of the total budget allocation.⁵² The average budget allocation of FTC investments is US \$2.1M but US \$8.9M for ITC investments; it should be noted that the high ITC average can be attributed to two UNICEF projects: Country Program Action Plan 2006-2010 for Child Survival (US \$21.8 M) and HIV/AIDS Prevention and Care (US \$10.3 M).

For the rural development sector the evaluation examined data for 53 development investments of which 30 (57%) were categorised as FTC and 8 (15%) as ITC, representing 28% and 16% respectively of the total budget allocation.⁵³ When the relatively large European Commission - Economic and Social Re-launch of Northwest Provinces project (US \$38.4M) is removed the average budget allocation of FTC investments is US \$2.5M and US \$2.2M for ITC investments.

What becomes clear from the analysis of this data for both sectors is that there are a large number of free-standing technical assistance investments which represent a modest proportion of total budget

allocations. Further review of available data showed a consistent pattern for both sectors in terms of use of tied aid in free-standing technical cooperation: between 40-45% was untied, 35-40% was partially tied and 20% was fully tied aid. It is also noteworthy that 3/4 FTCs using fully tied aid in the health sector can be attributed to Japan, while 4/6 FTCs using fully tied aid in the rural development sector can be attributed to Korea. The data suggests that a significant proportion of free-standing technical cooperation may not be as flexible as one might expect and may not be as supportive of South-South approaches or local capacity utilisation as they might be otherwise. This observation is supported by the online survey data as well.

Government respondents to the online survey in general, and in the health sector particularly, disagreed with the statement that “development partners are now programming technical cooperation in a more consultative and harmonised manner based on identified and agreed capacity requirements”; most development partners on the other hand agreed with the statement, with some noting that they are waiting for the National Capacity Development Strategy (NCDS) being prepared by the Council for Administrative Reform (CAR) before adjusting the strategic orientation and manner in which they deliver technical cooperation. One might expect that harmonising free-standing technical cooperation using a programme-based approach to address identified capacity development requirements would figure prominently in the NCDS as a means to reduce aid fragmentation.

Budget Support

Budget support is intended to reduce the administrative burden for government, facilitate development partner coordination, enhance predictability of ODA, help partner countries improve resource allocations and reinforce accountability through use of the budget as a tool of government policy. Development partners utilise untied aid for general budget support that is transferred to the recipient treasury and managed in accordance with the recipient’s budgetary procedures with no additional requirements, e.g. separate account, different procurement procedures or different reporting mechanisms. Sector budget support is distinguished from the former only in that it is earmarked to a discrete sector; in both cases conditionalities for tranche payments may apply.

Based on the ODA trend data for 2005-2009 presented in Figure 3 above, general budget support as a proportion of all disbursements has steadily increased from 1-5% between 2005 and 2009, with the exception of 2006 when it reached 12.8% attributable to the International Monetary Fund. The World Bank and Japan have periodically provided large amounts of budgetary support, while the United Kingdom and the European Union have all steadily increased their budget support albeit in smaller amounts and increments. The evaluation received database tombstone data for 40 health sector and 53 rural development sector investments. They contained no indication of budget support; consequently, the evaluation’s sample of ten development (project) investments did not include further analysis of the use of budget support. Provision of budget support is closely linked to the PFM reform and, as this reform progresses, there will be further potential for expanding budget support operations. The PD is therefore not the primary driving force in determining the provision of budget support in Cambodia.

The summary or conclusion on mix of modalities is that it is evident that in few cases is the mix of modalities the subject of detailed consideration. Project support has always been the “default mode” and neither RGC nor development partners have shown any determined ambition to move away from projects towards more fully fledged PBAs that employ pooled funding or sector budget support. There are a number of explanations for this and the situation has been, and continues to be, complex. RGC is well-acquainted with the project modality, and acknowledges that it can mitigate risk where RGC systems are weak. But it has expressed a desire to use PBAs to ‘manage diversity’ within sectors, rather than attempting to impose its preferred modalities of pooled-funding PBAs and budget support. There is therefore a degree of dependence for RGC since it has assimilated project management responsibilities

into its routine working practices. For development partners, their aversion to risk and their need to account to their HQ/Capitals for resource use and results explains their preference for project support. Similar arguments can be made for TC provision (discussed elsewhere in this report), in which RGC is often not sufficiently involved in programming or management decisions for this modality.

FINDING 24:

The Royal Government of Cambodia initiated concerted efforts to implement sector wide management (SWiM) and sector wide programme (SWAp) approaches for the benefit of both the health and rural development sectors which pre-date or were contiguous with the advent of the Paris Declaration. In both cases these approaches have been supported by a core group of development partners and have evolved to reflect the characteristics of a programme-based approach as defined in the Declaration. At the development investment level however it does not appear that the Paris Declaration has had much influence on the majority of development partners. The large proportion of discrete projects, particularly free-standing technical cooperation, with small budget allocations in both the health and rural development sectors, undoubtedly places a heavy administrative burden on the country's recipient institutions and organisations at all levels. The shift to programme-based approaches involving multiple development partners and the use of government systems has been slow given the continued weaknesses in public management systems at both central and sector levels. The institutional management culture of some development partners, and the reluctance of most to assume increased fiduciary risk, continue to make the stand alone investment and technical cooperation projects viable alternatives to budget support and pooled funding mechanisms. The PD has therefore been only one influence in determining the mix of aid modalities but has clearly not been the dominant factor.

3.4 ENHANCING RESULTS IN SPECIFIC SECTORS

This section provides a preamble on managing for results in Cambodia to set the context. It then examines the sample of 10 development (project) investments for which profiles were developed based on the available documentation and "most significant change" group discussions held with stakeholders including beneficiaries. They are grouped by sector and each case is described in terms of the aid modality and coordination mechanisms, key PD principles and indicators, performance monitoring and documented outcome achievement. The section concludes with a summary of key outcomes achieved based primarily on the group discussions.

Managing for Development Results

Although Results-Based Management has been part of the aid culture for more than a decade, it has only recently been introduced at the Technical Working Groups (TWG) as part of the PD implementation commitment by the CRDB/CDC. Members of the evaluation team observed first hand during training programmes held in November 2009 that TWG participants were interested and made many observations related to achievement of development results. On line survey respondents cited two initiatives which, in their view, strengthened government capacities to develop and implement results-driven national strategies: namely, 1) The Cambodia ODA Database; and 2) the Ministry of Planning "budget integration committee" described in the previous section. But despite these institutional strengthening achievements and initiatives, managing for development results has not been fully integrated into the aid architecture at all levels.

One of the difficulties encountered by the evaluation during the planning phase was the identification of a small sample of 10 development (project) investments which met the sampling criteria of having

documented evidence of outcome achievement. Although the Cambodia ODA Database contains a great deal of project specific tombstone data, including PD indicator data which has demonstrated its usefulness in this evaluation, this was not the case for outcome level results. Accessing project specific documentation, e.g., annual progress reports, evaluation reports, etc. which would normally contain such information proved more difficult than expected since there was no central depository or an established process for requesting access. The evaluation eventually had to drop the criteria since much of the documentation that was eventually received had almost no outcome level data. The present sample of development (project) investments are illustrative and the findings are not intended to be generalised.

It must also be noted that on-going reforms, especially in civil service reform and PFM, are themselves strongly influenced by generic donor programme design that emphasises results-based management approaches as part of public sector reforms and associated efforts to improve public sector performance and efficiency. As in all countries that attempt these reforms – both developed and developing – these reforms entail changes in organisational culture, systems and structures that can necessarily only show benefits over the longer term. The period covered by the PD is therefore likely to be insufficient to record anything other than the adoption of new working practices and early signs that they have been assimilated.

Health Sector

Among the ten sample development (project) investments for which the evaluation prepared profiles and held group discussions with stakeholders, six were in the health sector and five of those were categorised as PBAs in the Cambodian ODA Database. None of the five categorised as PBAs were identified as having used budget support or government systems. Other tombstone data relevant to the following discussion is presented in Table 5 below.

Official Title	Donor	Budget (USD)	Implementing Agency	TC Budget (USD)	ODA Type	PBA	PIU Type	Tied Aid	Other PBA (USD)
Health - IDA Grant H0150: Health Sector Support Project (WB-HSSP1)	World Bank	7,800,000	Ministry of Health	447,415	IPA - ITC	Yes	Fully-Integrated	Untied	2,130,548
Support to the Health Sector Reform (Phase 2)	Germany	5,450,517	Ministry of Health	1,826,483	FTC	Yes	No PIU is used	Partially tied	1,937,097
National Tuberculosis Control Project (Phase II)	Japan	7,077,333	Ministry of Health	1,416,802	FTC	Yes	No PIU is used	Fully tied	1,253,165
Health Behavioural Change Communication (BCC)	EU/EC	7,385,524	UNICEF	1,180,981	FTC	Yes	No PIU is used	Partially tied	1,252,502
Development of Community-Based Drug Abuse Counselling, Treatment and Rehabilitation Services	UNODC	685,100	Ministry of Health / Ministry of Interior	0	FTC	Yes	No PIU is used	Fully tied	0
Strengthening of the National Malaria Control Program	Global Fund (GFATM)	9,870,565	Ministry of Health	0	FTC	No	N/A	N/A	0

The evaluation has made several observations with regard to the sample development investments in the health sector based on the profiles developed and the data extracted from the Cambodia ODA Database. The intent here is to examine the extent to which discrete investments reflect the PD principles, with a particular emphasis on managing for results.

World Bank IDA Grant H0150: Health Sector Support Project (HSSP1) was designed, financed and implemented in a collaborative manner by the following partners: World Bank, Asian Development Bank, the United Kingdom's Department for International Development (DFID) and the United Nations Population Fund (UNFPA).⁵⁴ It was designed to contribute to the priorities of HSP1 – 2003-2007 within the context of the health sector SWiM of which it is an integral component. Aid coordination at the sector level was assured by the TWG-Health through representation from the HSSP1 Steering Committee which evolved into a Joint Partnership Interface Group in the subsequent phase (HSSP2). In terms of country leadership and ownership, WB-HSSP1 financial management and procurement was delegated to the Ministry of Health (MOH) Budget and Finance Department and piloted the transfer of spending authority for parts of the budget to seven Provincial Health Departments and selected national hospitals. HSSP1 had 12 project accounts, differing project rules, but only one fully integrated project implementation unit and used only one Annual Operational Plan (AOP). While there is no documentary evidence of other PBA-like aid delivery arrangements, e.g., pooled or basket funding under HSSP1; there is pooling of funds under HSSP2 by some donors, i.e., UNFPA, UNICEF, AusAid and DfID, although most also retain their own projects. HSSP1 implementation progress was monitored and performance documented in a wide variety of reports on a quarterly, semi-annual and annual basis, including both mid-term and final evaluations. Mid-year reviews were attended by all stakeholders from the Operational Districts where performance vis-à-vis annual targets for the HSP2 core indicators were reviewed. Semi-Annual Reports include data on “Key Project Monitoring Indicators” and give graphic presentation on ‘Target’ and ‘Achieved’. Based on the available documentary evidence, the outcomes and indicator data was aligned with and contributed to: reducing child mortality (CMDG 4), improving maternal health (CMDG 5), and combating HIV/AIDS, malaria, tuberculosis and other diseases (CMDG 6).

Health Behavioural Change Communication (BCC) is a joint co-financing partnership between the European Commission and the United Nations Children’s Fund (UNICEF) implemented by the UNICEF Cambodia Country Office in conjunction with the National Centre for Health Promotion (NCHP). Country ownership appeared to be challenging for NCHP for several reasons including capacity constraints, but also in that UNICEF was required to use its own financial procedures. Aid coordination and alignment may also have been problematic given the inconsistent functioning of the sub-TWG for behavioural change communication and the fact that BCC has gone from being one of six priorities (HSP1 2003-2007) to not being explicitly mentioned (HSP2 2008-2015). The evaluation found no documentary evidence of the use of PBA-like aid delivery arrangements, e.g., pooled or basket funding, although BCC does receive financial contributions from other organisations. Implementation progress was monitored and performance documented in a wide variety of reports, including UNICEF’s Annual Narrative Summaries, Annual Progress Reports submitted to the EC, Annual EC Monitoring Missions Reports, and a 2008 Mid-Term Review. However, the need to improve the monitoring and evaluation of outcomes was identified in both the Mid-Term Review and in the 2009 Annual Progress Report. Insufficient documentary



Health Sector Support Project (Phase 1)

“All operational districts (ODs) except Preah Sdach achieved or surpassed their targets in respect of deliveries at health facilities, with Ang Rokar reaching 80%”. “Memot was the only OD that fell short of its target for deliveries attended by trained staff”. “Four ODs, Preah Sdach, Memot, Kiriving and Aug Rokar failed to meet their targets in regard to current use of modern contraceptive methods. The margin of the shortfall was the highest in Memot which achieved only 21% versus the target of 40%. All ODs reached their targets with regard to Vitamin A coverage among 6-59 months old children. Banlung OD, Ratnakiri province although it reached its target of 40%, was the lowest performer among all the ODs.”

- HSSP1 2008 Semi-Annual Report



evidence on outcomes and indicators made it impossible for the evaluation to demonstrate alignment and contribution to health sector CDMGs.

Support to the Health Sector Reform Phase 2 (SHSR 2) provides free-standing technical cooperation resources drawn from the German Volunteer Service and World Bank to improve the quality and effectiveness of public and private health services in the provinces of Kampong Thom and Kampot. In terms of alignment it contributes to three areas of work identified in HSP1 – 2003-2007 with aid coordination assured by the TWG-Health. No other documentary evidence, e.g., agreements, of country leadership or ownership by a specific host institution/unit within the Ministry of Health was found, nor other PBA-like aid delivery arrangements, e.g., pooled or basket funding. The programme has an extensive work breakdown structure with three components aligned with HSP1 priorities, expected outcomes and associated performance indicators that were monitored and reported on annually in Progress Reports. Based on the available documentary evidence the outcomes and indicator data was aligned with and contributed to: reducing child mortality (CMDG 4) and improving maternal health (CMDG 5).



Support to Health Sector Reform (Phase 2)

"Important instruments and political guidelines - which are the foundation for quality improvement measures and the implementation of a social health insurance - have been developed and recognized. However, several indicators have only been reached partially due to the unfavourable basic conditions prevalent in Cambodia. This relates primarily to quality improvement measures in the public health facilities in the provinces, which in turn also hampers the spread of social insurance. Implementation of a comprehensive accreditation system can – despite declaration of intent by the Health Ministry since 2003 - only be expected in the medium term. The Ministry's Quality Assurance Office (QAO) still lacks qualified human resources as well as financial resources."

- *SHSR2 Progress Report, August 2008*



The National Tuberculosis Control Project Phase II (NTP 2) is implemented by the Ministry of Health, National Center for Tuberculosis and Leprosy Control (CENAT). It is part of the Sector Wide Management (SWiM) approach to support the Health Sector Strategic Plan with aid coordination assured by a sub-TWG (Health) for tuberculosis. Country ownership and alignment are in evidence in light of the CENAT lead implementation role. Its technical cooperation budget is used for institutional capacity building, while its pooled funding mechanism facilitates the involvement of a recently enlarged circle of public and private sector stakeholders. The World Health Organisation global targets for tuberculosis were used to set indicator targets and monitor performance which was reported in annual Progress Reports, as well as mid-term and final evaluations reports which were sent to the Ministry of Health/CENAT. Based on the available documentary evidence the outcomes and indicator data was aligned with and contributed to: reducing child mortality (CMDG 4) and combating HIV/AIDS, malaria, tuberculosis and other diseases (CMDG 6).



National Tuberculosis Control Project (Phase II)

"The indicator concerning cure rate was fully achieved since the cure rate among newly registered smear (+) TB patients has been maintained over 85% throughout the project period. The indicator targeting the detection rate of smear (+) TB maintained 70% was achieved in the year 2005. Although, thereafter there was a slight decrease of detection rate with fluctuation, considering that the absolute value of detected cases has been steadily increased during the period of phase 1 of the Project, and reached a plateau and maintained during the period of phase 2".

- *Summary of Final Evaluation 2009*



Development of Community-Based Drug Abuse Counselling, Treatment and Rehabilitation Services in Cambodia is managed by the UNODC Cambodia Country Office in conjunction with the Cambodia National Authority for Combating Drugs (NACD) and the Ministry of Health with whom it signed separate agreements. The delegated cooperation approach appears to have been used since the agreement with the NACD stipulated terms and conditions to manage and monitor all project related activities. The evaluation found no documentary evidence of the use of PBA-like aid delivery arrangements, e.g., pooled or basket funding. While the project leaves a legacy of data collection, data processing and information sharing, much of the available performance monitoring information was at the activity and output level. A 2009 Mid-Term Evaluation was commissioned by the Ministry of Health which identified the major outcome of the project as the trained Commune Counselling Teams in 10 communities. Insufficient documentary evidence on outcomes and indicators made it impossible for the evaluation to demonstrate alignment and contribution to the health sector CDMGs.

Strengthening of the National Malaria Control Program is illustrative of the issues raised in section 2.2.4 with regard to the potential for misalignment when relatively large⁵⁵ global health partnership investment programmes focus on communicable and infectious diseases, while government priorities for the health sector focused on strengthening primary health care services (Health Sector Strategic Plan – HSP1 2003-2007) and on improving maternal health outcomes (Health Sector Strategic Plan HSP2 2008-15). The risk for any relatively large stand alone investment is that attention and resources are drawn away from other government priorities. In terms of country ownership, the project profile does point out that government and civil society organisation representation, oversight, and technical review of the Global Fund grants has increased in order to improve alignment. The programme had four main objectives with associated indicators and used a Grant Scorecard to monitor adherence to Global Fund operating principles annually. A baseline study was undertaken in 2004 and six impact indicators were tracked and reported on in Annual Progress Reports. The 2009 Grant Performance Report provided results (outcome) data against targets for 4/6 indicators and concludes that the grant “appears to be on track with most of the indicators overachieved or substantially met the intended targets.” Based on the available documentary evidence, the outcomes and indicator data was aligned with and contributed to: combating the spread of malaria and the severity of its effects on the general population (CDMG 6).

Rural Development Sector

Among the ten sample development (project) investments for which the evaluation prepared profiles and held group discussions with stakeholders, four were in the rural development sector and only one was categorised as a PBA in the Cambodian ODA Database. None were identified as having involved budget support or used country systems. The remaining tombstone data for these four investments is presented in Table 6 below.

Official Title	Donor	Budget (USD)	Implementing Agency	TC Budget (USD)	ODA Type	PBA	PIU Type	Tied Aid	Other PBA (USD)
Project to Support D&D Reform (PSDD)	Sweden, UK & UNDP	9,501,004	Ministry of Interior	3,995,072	ITC	Yes	No PIU is used	Untied	4,727,677
Natural Resource Management and Livelihoods Programme	Denmark, UK & New Zealand	65,300,000	Ministries of Interior, Land, Agriculture, etc	0	IPA	Yes	No PIU is used	Untied	7,166,529
GR0034/35 Tonle Sap Sustainable Livelihoods	ADB and Finland	20,340,000	Ministry of Interior	0	IPA	No	Partially-Integrated	Partially tied	0
Project for Rural Drinking Water Supply in Kampong Cham Province	Japan	4,111,301	Ministry of Rural Development	0	IPA	No	N/A	Untied	0

The evaluation has made several observations with regard to the sample development investments in the rural development sector based on the profiles developed and the data extracted from the Cambodia ODA Database. The intent here is to examine the extent to which discrete investments reflect the Paris Declaration principles with a particular emphasis on managing for results.

The Project to Support Democratic Development through Decentralization and De-concentration (PSDD)

is a programme-based approach (PBA) where the financial resources⁵⁶ of a core group of development partners supporting D&D reform, i.e. Sweden, DfID and UNDP, are pooled in a basket fund; the UNDP has been entrusted to administer the PSDD since its inception. Aid coordination is assured through the Technical Working Group (TWG) for D&D, as well as the TWG for Public Administration Reform. The premise of the PSDD is to encourage Cambodian ownership, not just by the national government, but also at the sub-national and local levels with the overall goal of reducing poverty. It involves collaborative planning with the line Ministries and the communes to deliver social services to the grassroots populations. The PSDD invests in programme support and technical assistance which allows the National Committee for Sub-National Democratic Development (NCDD) to mobilise and harmonise a much larger set of development partner resources. The NCDD Annual Work Plan and Budget (AWPB) is the budget allocation tool for programming D&D funds from RGC, PSDD, and other development partners. The PSDD provides direct support to the local level through the Commune Sangkat Fund (CS Fund) which adopted many of the principles of general budget support and is considered to be one of the most efficient and transparent components of the national budget. The PSDD supported the development of a common set of monitoring indicators across the range of development partner projects supporting D&D. This allowed improvements in service delivery and national and sub-national capacity building to be tracked on an annual basis. Implementation progress was monitored through Joint Semi-Annual Performance Reviews and performance was documented in Annual Reports and a 2008 Mid-Term Review. Based on limited documentary evidence, the outcomes and indicator data was aligned with and contributed to: reducing child mortality (CMDG 4), increasing access to improved drinking water for rural populations (NSDP), and increasing primary education enrolment for rural populations (NSDP). Lack of sufficient information made it difficult to comment on the other 6 CMDGs covered by CS Fund investors.

Natural Resource Management and Livelihoods Programme is co-financed by Denmark, United Kingdom and New Zealand and was designed with the Council for the Development of Cambodia and the Ministry of Economy and Finance. It is aligned with National Resource Management strategies for lands, forestry, fisheries, etc, and the strengthening of effective and representative local government through the Commune Councils to enhance the livelihoods of rural people. DANIDA and DfID set up a Multi-donor Livelihoods Facility (MDLF) from which funds are transferred to decentralized levels via the NCDD; these transfers are not integrated into government budget flows via the national treasury. The NRMLP has three programming components each with a line Ministry lead, expected development objectives (outcome) and related indicators. Joint Annual Programme Reviews are undertaken with the full participation of the various partners and civil society organizations to review progress and recommend changes in strategies, activities and budgets. Performance is documented in Joint Annual



Project to Support Democratic Development

"The vast majority of CS Fund projects continue to be focused on local infrastructure with rural road rehabilitation representing roughly 70% of the total. It must be recognized that improvements to local infrastructure are consistently raised by villagers as a high priority. As a public good, local infrastructure also results in equitable benefits to rural communities. There has been a year-on-year decline in the number of rural people with incomes below the "National Poverty Level". (Baseline: 34.7% below national poverty line in (2005); Progress: 28% people in rural households (2008)"

- Annual Report 2007 and Mid-Term Review 2008



Progress Reports (JAPR) prepared for each component by the lead Ministry which describe disbursements, activities, outputs and coverage. The 2008 JAPR concluded that while there was good reporting on activities and outputs by each component, it did not provide an overview of progress in relation to the NRMLP outcomes and impact and “work needs to be done to ensure that there is an effective monitoring system.” Insufficient documentary evidence on outcomes and indicators made it impossible for the evaluation to demonstrate alignment and contribution to the CMDGs.

Tonle Sap Sustainable Livelihoods Programme (TSSLP) is co-financed by the Asian Development Bank and Finland. In 2003, ADB drafted the Tonle Sap Basin Strategy, giving geographical focus to ADB's 2005–2009 Country Strategy. TSSLP will build on other grant and technical assistance projects of the Tonle Sap Initiative, in harmony with the Government's Rectangular Strategy for Growth, Employment, Equity, and Efficiency. The Council for Agricultural and Rural Development (CARD), through its Secretary General, heads a Project Steering Committee established to provide policy and strategy guidance and communicates project outcomes to the Council of Ministers. Aid coordination is ensured by the Technical Working Group (TWG) – CARD. The Ministry of Economy and Finance (MEF) assists the Ministry of Interior which is the Executing Agency in the smooth transfer of funds from the central to the commune levels. Performance monitoring is the responsibility of the Ministry of Interior as part of the standard procedures required by ADB through the disbursement of funds and the Semi-Annual and Annual Progress Reporting. A Joint Mid-term Review Mission was undertaken by the development partners and the Royal Government of Cambodia which concluded that while such reports provided detailed activities and progress against the original work plan, it was not clear how such completed activities were contributing to the overall project outcomes. The December 2009 Reconnaissance Mission Report echoed the same concerns that there was “an urgent need to develop better measures of the impact and socioeconomic benefits.” Insufficient documentary evidence on outcomes and indicators made it impossible for the evaluation to demonstrate alignment and contribution to the CMDGs.

Project for Rural Drinking Water Supply in Kampong Cham Province (Phase-2) is a joint Japan and Government of Cambodia (RGC) project initiated by the RGC in April 2004 via a formal request for grant aid to implement a water supply project. The project is aligned with the Rural Water Supply and Sanitation Sector Investment Plan 2003-2012 and aid coordination is ensured through the TWG - Rural Water and Sanitation. The goal is to improve the coverage of safe water supply. Although there was no documentary evidence of joint monitoring or annual performance reporting, a Basic Design Study Report (2009) concluded that “a total of 355 wells were constructed in 115 villages in 4 districts in the eastern part of Kampong Cham Province. The supply rate of safe water in the targeted 96 villages improved significantly from 9.5% to 82%”. Based on the available documentary evidence the outcome and indicator data was aligned with and contributed to: increasing the supply rate of safe drinking water in the 115 target villages (NSDP) and reducing the number of hospitalized patients with diarrhoea and dysentery (CDMG 6).

Outcome Achievements

Documentary content analysis of the 10 sample development (project) investments revealed that they all reported on budget disbursements, activities, outputs and implementation issues, but only six reported on progress toward the achievement of development outcomes. While there is evidence in most cases that the formulation of outcomes and associated indicators demonstrated alignment with the NSDP and CMDG priorities, project monitoring and reporting systems often did not collect indicator data and document contributions to project outcomes. Albeit anecdotal, the evaluation was able to collect evidence that outcomes were nevertheless achieved by several projects in our sample but lacked significant documentary evidence.

Many projects in our sample that did not provide sufficient documented evidence of outcome achievement were cited by stakeholders and beneficiaries in group discussions as having contributed to reducing poverty and other important outcomes. The following poverty reduction outcomes were identified as the “most significant change” which sample project group discussion participants identified.

1. Increased participation in development activities - Project beneficiaries (e.g. Health Behavioural Change Communication Project) confirmed that there had been both attitudinal and behavioural changes among villagers in terms of involvement in awareness raising development activities, information seeking and increased usage of health centres. For example, in Kampong Speu, the number of mothers delivering their babies at health centres doubled during the period between 2008 and 2009.
2. Changes in behaviour and perception of villagers - Projects (e.g. Natural Resource Management and Livelihoods Programme) had a noted influence on how villagers regarded the development needs of their communities: i.e. prior to engagement, villagers concentrated only on infrastructure projects whereas now they are more concerned about degradation of natural resources and other environmental issues affecting their communities. They also noted the importance of maintenance of natural resources for their communities, evidenced by increases in fishery and forest products, e.g. vines, resin and fire wood etc. The formation of village committees to manage project activities also helps ensure the sustainability of these development results.
3. Quality health centres and services at the community level - With the provision of equity funds (e.g. Support to Health Sector Reform Phase 2), some health centres can provide services free of charge for poorer families.
4. Created/Increased jobs in the village - Projects (e.g. Tonle Sap Sustainable Livelihoods, and Natural Resource Management and Livelihoods etc.) provided credit for villagers to start or expand their businesses and gardening activities which can potentially generate more income for farm families and help support other activities, such as the raising livestock, i.e., cows, chickens etc.
5. Increased income for poor families – Traditionally, villagers engage in rice cultivation only once a year and their production is largely dependent on rain and other environmental conditions. Farm products are usually not sufficient to support families so villagers have to sell their labour outside their village i.e. working at fish plants, while some were forced into illegal activities i.e. fishing, cutting trees etc. With the creation of irrigation systems provided by development projects (e.g. the Natural Resource Management and Livelihoods Programme), villagers can focus on farming their land which can produce sufficient food for their family needs. In short, now, some villagers interviewed cultivate rice crops twice a year and plant other subsidiary crops. Their incomes have increased from around 1 million Riel to 5 or 6 million Riel per year.

FINDING 25:

The evaluation has gone to considerable length to document the influence of the Paris Declaration principles on the sample of 10 development (project) investments. Of the six cases in the health sector, three reflected a high degree of commitment to PD principles. Their attention to managing for results and mutual accountability permitted the evaluation to assess their integration with the sector wide management approach and important contributions to the health sector strategic plan priorities, and related to the CMDGs, was evident. While the three remaining cases in the health sector reflected some alignment and harmonisation issues to varying degrees, more importantly

two cases demonstrated little attention to managing for results and mutual accountability which left the evaluation with no basis upon which to judge their results achievements. The four cases in the rural development sector all reflected a high degree of commitment to alignment, harmonisation and ownership. However only in two cases was there a similar commitment to managing for results and mutual accountability which allowed the evaluation to assess their significant contributions to the rural development sector and National Strategic Development Plan priorities. When comparing the results contributions across all 10 development (project) investments, it appears that the greater the commitment to applying all the PD principles, in the context of a multi-donor programme-based approach, the more relevant and significant the development results will be.

3.5 CROSS-CUTTING THEMES: PRO-POOR, GENDER RESPONSIVE PRIORITIES AND PROGRAMMING

In its development policy framework documents, Cambodia identified cross-cutting themes of: food security and nutrition; gender mainstreaming; planning and poverty reduction; HIV/AIDS; rural water supply, sanitation and health; decentralisation and de-concentration. Technical Working Groups were established for each of these cross-cutting themes. Many development partners also have cross-cutting themes with nearly all including gender mainstreaming, poverty reduction strategies and environment. All cross cutting themes (with the exception of Rural Water) were managed under a TWG prior to the advent of the Paris Declaration and were subject to mainstreaming efforts in RGC programmes supported by development partners.

The Ministry of Education, Youth and Sport (MoEYS) strategic plan includes budgets for pro-poor and people with disabilities. There is also a special education programme and budget for disabled persons which are all part of the education for all strategy. The Ministry of Education, Youth and Sport has also developed pro-girl programmes such as scholarships for girls; dormitories for girls; girl counsellor training programmes; and increasingly has hired more female school principals. In fact a very elaborate system for gender mainstreaming has been put in place in Cambodia (more on this in section 3.6).

All 10 sample project profiles show evidence of addressing specific cross-cutting themes: pro-poor, gender responsive priorities, and programming. The majority of group discussion participants and key informant interviewees confirmed that the Royal Government of Cambodia, and especially the Commune Councils' development of a "Citizen Identity", identified poor/poorest and vulnerable people in villages. Project implementers also confirmed that one of the most important criteria for project implementation was pro-poor, gender and vulnerable populations which includes the poorest women and children. Several participants in sample project group discussions provided examples of how development projects in Cambodia have addressed development needs of the poor, women, children and other vulnerable populations.

1. Participants from the Natural Resources Management and Livelihoods Programme and the Tonle Sap Sustainable Livelihoods Programme indicated that their projects were fully integrated into the Commune Investment Planning (CIP) process. Outreach activities gathered development issues/priorities at all levels from villages upwards. The poor and most vulnerable people were seen as priority targets for development aid projects. Structurally, this more inclusive approach was encouraged by Decentralization and De-concentration (D&D). Village chiefs called village level meetings to seek input as to who should receive assistance. Poor families were encouraged to consider a variety of activities/work that could help them generate

income for their families. Concrete ideas included self help groups and joint saving activities to mobilize resources for income generating activities identified by the self help groups.

2. The Project to Support Democratic Development is part of the national strategy for decentralization and de-concentration which supported Commune/Sangkats in developing a Commune Investment Plan (CIP) based on database information on poverty and gender situations at the local level.⁵⁷ The Commune Investment Plan involves communities and their plans reflect community priorities. The Commune/Sangkat structure includes an advisory sub-committee called the Commune Committee for Women and Children which helps the Commune Council implement government policy and tasks related to women and children's issues. On an annual basis, earmarked contributions to gender mainstreaming were made to all 24 provinces.
3. Participants from the Project to Support Democratic Development (PSDD) expressed the view that decentralisation had helped foster better governance, gender-equality, and more bottom-up decision-making across the political spectrum in Cambodia. One of the benefits was encouraging women's participation in decision-making, including financial decisions through gender sensitive budgeting. At present, all villages in Cambodia have women serving on the village committee which is a significant change from the recent past. However, some participants noted that ensuring that women have input to commune council decision-making remains an on-going challenge. For example, respondents highlighted that sometimes in meetings, even when women outnumber men, men still dominate. A village meeting which included 5 women and 1 man still resulted in his speaking "a great deal more than the women present". Indeed, it is difficult to get village women to speak at meetings, unless groups are sex-disaggregated. Interestingly however, more and more women are coming to these meetings, and, although they don't speak out as much as men, this is an important first step. When recounting this, discussion group participants agreed that the traditional culture in Cambodia is one in which women are less outspoken. Women also often express the view that they have less experience than men (even when they have as much formal education) which is primarily because they lack the freedom to travel and be "out in the world" as much as their male counterparts.
4. Participants from the Project for Rural Drinking Water Supply in Kampong Cham identified the "meaningful" participation of women in decision-making as "life-changing" for women who contribute to community welfare in several ways: a) women proved in several cases that they were "more responsible" or accountable for finances than male counterparts, i.e., they set aside funding for the maintenance of village wells and pumps and were careful with these resources; b) in all water sanitation user groups 40% were women which is important, not only for women's empowerment, but also for the community, since women often remain in the village all year round, while male counterparts often leave the village in the dry season to look for work; and, c) since women are primarily responsible for fetching water for households and educating children, it is important to secure their meaningful involvement in village governance. Thus, educating women regarding the reasons for safe drinking water provided benefits for the community as a whole. For example, in the past, some villagers wondered why they could not continue to use traditional sources of water, saying such things as, "my grandfather used that water supply and he's fine...etc." Training in maintenance of wells and water pumps built sustainability. Women were trained, not only on the behaviour/attitude change side, but also learned basic maintenance skills. Since men leave the villages to secure outside employment in the dry season, women being skilled in maintenance and also having a direct stake in the

decision-making process, including financial management, help ensure sustainable success of these initiatives.

5. Participants from the Health Behavioural Change and Communication (HBCC) project indicated that the door-to-door education campaign was an effective way to disseminate information to all levels of society especially to the poorest families who lack other technologies. They also noted that an equity-fund, made available for certain community health centres, helped to provide greater access for the poorest and most vulnerable (including women) with respect to use of public health services.
6. Participants from the Development of Community-Based Drug Abuse Counselling, Treatment and Rehabilitation Services in Cambodia (UNODC) project highlighted that the most unique feature of this project was the mobilization of communities to participate and lead project activities.

FINDING 26:

Although the PD and AAA are supportive of cross cutting themes such as gender equality, human rights, disabilities and environmental sustainability as pro poor strategies, this evaluation found no evidence that development policy-makers, project implementers or community representatives attributed the adoption of these pro poor strategies to the PD/AAA. However, PD implementation helped to facilitate dialogue among government, policy makers, experts and CSOs within the TWGs. These mechanisms were designed to help implement the PD and to date have also increased awareness and advocacy of the cross-cutting themes mentioned above. The PD has therefore contributed to developing a partnership-based framework for dialogue, programming and monitoring for addressing cross-cutting issues, which have been progressively mainstreamed with sector work and RGC reform programmes.

3.6 GENDER EQUALITY

Background and Guidance

During the time when data gathering for this evaluation was being undertaken in March, 2010, the evaluation team was asked by the DAC Network on Gender Equality to assess the extent to which the PD and the Accra Agenda have had an impact on gender equality results for women and girls in Cambodia. The DAC Network pointed out that although the PD established many global commitments for country and development partners to support with respect to more effective aid, gender equality was not explicitly addressed. The “focus to date has been on formulation of the Declaration and on technocratic and efficiency aspects of aid delivery” and there is a danger that “aid effectiveness will be measured along a narrow set of aligned process criteria through vertical programmes with horizontal cross-cutting issues such as gender equality being sidelined” in favour of the larger aid agenda⁵⁸. It has suggested that implementation of the PD needs to be used to promote wider development effectiveness approaches in which gender equality is essential. In light of the above concerns raised by the DAC Network on Gender Equality, this section discusses gender equality and implementation of the PD/AAA in Cambodia.

During the data collection phase of the evaluation, the evaluation team met with MOWA representatives, gender advisers and development partners to discuss the progress of gender equality in the country since PD implementation. The team was directed to three indicators which have been specifically created to measure progress on gender equality in harmony with the PD principles. These three indicators are: Indicator 1) Gender and Ownership - gender equality and women’s empowerment

are grounded in a systematic manner in National Development Strategies; Indicator 2) Managing for (Gender) Results – joint frameworks for managing gender results have been developed; and, Indicator 3) Mutual (Gender) Accountability – mechanisms have been developed to monitor mutual accountability with respect to gender mainstreaming at the country level. These indicators were designed with the following objectives: to be complementary to the existing monitoring framework of the PD; to give a gender dimension for tracking progress; and, to generate ‘constructive dialogue at the country level’ among diverse stakeholders: government (i.e., the line ministries), donors, CSOs, etc.

Integrating Gender Equality into the Cambodian Development Policy Framework

The integration of gender equality into the Cambodian development policy framework predates the Paris Declaration. In 2004, the Royal Government of Cambodia (RGC) adopted the Rectangular Strategy for Growth, Employment, Equity, and Efficiency and decided to merge the second five-year Socio-Economic Development Plan (SEDP) and the National Poverty Reduction Strategy (NPRS) into the National Strategic Development Plan (NSDP) 2006-2010. The NSDP is the single overarching document containing the RGC’s priority goals and strategies to reduce poverty rapidly and to achieve other Cambodian Millennium Development Goals (CMDGs) and other socio-economic development goals for the benefit of all Cambodians; the RGC has made considerable effort to include gender equality issues and indicators. Another important indication that gender equality has been integrated into Cambodia’s overall development planning is through its expansion of the MDG targets and indicators to include gender issues such as adult literacy and domestic violence as well as inclusion of sex disaggregated indicators into the CMDGs. Through a participatory consultation process, specific indicators were identified for each CMDG, including the benchmark, and the short, medium and long term target values to be reached during 2005, 2010 and 2015. In all, the CMDGs cover 9 goals, 25 overall targets, and 106 specific targets covering: extreme poverty and hunger; universal nine-year basic education; gender equality and women’s empowerment; child mortality; maternal health; HIV/AIDS, malaria and other diseases; environmental sustainability; global partnership for development; and de-mining and victim assistance. In addition, the JMIs, which represent both MfDR and mutual accountability pillars of the PD, have included an indicator on gender since their inception in 2004.

The Role and Influence of the Ministry of Women’s Affairs

Since 1993, the Ministry of Women’s Affairs (MOWA) has been the catalyst and advocate for mainstreaming gender equality principles into policies and programmes of government. MOWA contributed to the Rectangular Strategy, the National Strategic Development Plan and the Cambodian Millennium Development Goals. MOWA also contributed to the Declaration on Aid Effectiveness in 2006 which set priority actions on Harmonization, Alignment and Results (H-A-R) Action Plan. The Technical Working Group on Gender (TWG-G) was established in 2004 and provides an opportunity for all stakeholders to interact with each other and jointly discuss technical assistance with development partners and civil society. Besides being a platform for stakeholder dialogue and cooperation, the TWG-G creates: an annual action plan which includes information sharing and monitoring of the Joint Monitoring Indicators (JMIs) and the NSDP gender indicators; provides resource mobilization; and engages in consultations on reporting for both regional and international conventions and agreements.

MOWA works closely with all line ministries and has cooperated with 17 to promote gender mainstreaming strategies such as Gender Mainstreaming Action Plans (GMAPs); 14 Ministries also have allocated specific budgets to gender mainstreaming. The Ministry of Education, Youth and Sport (MoEYS), Ministry of Health (MOH) and Ministry of Agriculture, Fisheries and Forestry (MAFF) have also integrated GMAPs into sector implementation. Other sector examples include: Mine Action which has a gender direction strategy that received funding support from a range of development partners and the Rural Water Supply, Sanitation and Hygiene (RWSSH) which has a 2010-2025 strategy with the objective

that 100% of rural population have access to clean water (CMDG indicator is 50% of rural population have clean water and 30% have sanitation by 2015). MOWA has also worked with the National Institute for Statistics of the Ministry of Planning and other line Ministries to develop sex disaggregated indicators to track gender equality results. It is also working with the Council for Administrative Reform to ensure HR approaches are consistent with RGC gender policies.

Current Status of Gender Equality Mainstreaming

Based on documentation for the 10 sample projects and group discussions, general documentation on gender equality in Cambodia, as well as interviews with MOWA representatives, experts and donors, the evaluation made the following observations with regard to the integration of gender equality into Cambodia's development priorities:

1. The National Strategy Development Plan (NSDP), 2006-2010 included a very specific point (i.e., poverty reduction and gender concerns) and several other points related to gender equality (i.e., robust equitable, spatially and sectorally well-spread economic growth). In addition the NSDP Update now has a separate section on gender equality and gender is mainstreamed into all its key areas.
2. The tensions between the PD principles, e.g., ownership and harmonization (especially as it applies to standardization) have not been as problematic for gender equality as they have for some other areas of ODA. There has been, according to our interviews and documentation, for example, clear government leadership/ownership, led by the Minister of Women's Affairs with respect to gender mainstreaming. The Minister herself made it clear, for example, that she wanted to promote an image of Cambodian women that were empowered inside the country, not just an image of women needing protection. Thus the Minister preferred a JMI that would encompass "social issues", i.e., trafficking in women and girls and domestic violence along with issues dealing with women's economic empowerment. Apparently, in some cases some development partners wanted to focus more narrowly, i.e., either on women's economic empowerment or on legal protection. However, both economic empowerment and the 'social agenda' were part of the gender strategy, just as the Minister of Women's Affairs wanted and ultimately, all signed off on this strategy.
3. Decentralization and de-concentration has had an effect on women's empowerment and more women are involved now both in governance at the sub-national level and in commune administration. It is important to acknowledge the central role of both MOWA and TWG-G in their analysis of the Cambodian draft organic law on D&D and their lobbying for the new institutions and affirmative action in the law. According to respondents, this appears to be a good example of fruitful cooperation between the donors and government and also between government (MOWA) and Gender Mainstreaming Action Groups with women's NGOs.
4. A review of the 10 sample projects selected for this evaluation found that gender mainstreaming is an integral part of all these development projects. Many of the 10 sample projects focus on issues such as maternal health, community clinics which cater to the most vulnerable including women, women's empowerment in politics at all levels and women's participation in governance, training and education of women in a number of areas, i.e., health, water sanitation (not just soft side but also maintenance issues re water pumps) are popular, and also, financial responsibility at the community level (especially since men are often compelled to find work during the dry season outside their villages as noted earlier) so maintenance often falls to women. This is recognized by the Ministry of Women's Affairs which is collaborating with other ministries on gender budgeting strategies and monitoring.

5. With respect to the PD principle of harmonization, MOWA representatives (both Khmer, their advisors and development partners) agreed that there has been little or no attempt to standardize reporting on gender equality. A lot of time is taken up writing reports in a variety of formats to satisfy different development partner priorities.

However, there are some areas that need to be monitored:

6. Although, at this point, the NSDP is quite gender sensitive and includes gender policy and support to the social sectors, the National Development Strategies demand an increase in infrastructural and investment oriented policies while the poverty reduction approach favours policies directed toward humanitarian and livelihood assistance. Development investments from emerging donors, e.g. China, direct their funding primarily to building infrastructure.
7. Although development partners have some challenges with alignment to Cambodian national priorities, this is less the case for gender mainstreaming.
8. Although overall there is a shortage of investment funds to meet the government priority requirements, this does not seem to be true with respect to key priority issues related to gender equality. For example, key priorities such as, attitude and behaviour change on gender equality, legal protection, and women's economic empowerment, are funded by ODA. Again, according to the sample projects and interviews with respondents connected with them, more funds are also now being directed to women's maternal health, which is an area that has required attention. (i.e., With respect to MDG 5: Improving Maternal Health, Cambodia still has approximately 472 deaths per 100,000 live births (2005 CDHS data), making maternity-related complications one of the leading causes of death for Cambodian women). Achieving Goal 5 will require a significant improvement in access to health care and family planning services, increasing the number of trained health personnel, conducting information campaigns and addressing inadequate family practices and care-seeking behaviour during pregnancy and childbirth.
9. Although the RGC provides scholarships to poor students, especially girls, and there have been significant increases in enrolment of girls at the primary level, (where parity does exist), the secondary and tertiary school levels are still a challenge with respect to maintaining the matriculation of girls. Thus, even though girls receive scholarships to enrol at higher levels (i.e., secondary and tertiary) they are still dropping out at a higher rate than their male counterparts. Since national resources offer limited support, high levels of poverty obstruct measures aimed at realizing sustained increases in education. Even with additional support, it may be difficult for girls who are expected to play a role in the overall maintenance of their family's care, to continue attending school at higher levels.
10. Maternal health and disease prevention strategies also met with limited success. This finding however has a complex etymology: i.e., owing to the relatively high levels of poverty in Cambodia, governance and transparency issues, and obviously, with respect to gender equality there is still a need to deal with 'limiting' attitudes and behaviours that contribute to gender inequality.
11. There was a fear that population growth would be an issue but, in Cambodia, population growth is currently lower than projected. According to respondents and documentation reviewed, this is well thought out population policy attuned to the social and cultural context of Cambodia and has been implemented with positive effects.

The Paris Declaration and the Accra Agenda for Action (PD/AAA) have contributed to creating a common vision, direction and purpose for dialogue on aid effectiveness that extends to gender issues. They have

encouraged review and reflection by government and development partners and civil society organisations on existing strategies and programmes which address gender equality. But as we have seen, gender sensitive indicators had already been included in key national development policy documents and monitoring frameworks. Consequently, there are three key observations to note with respect to the effect of the PD/AAA on gender equality. First, the PD/AAA was preceded by other aid strategies, e.g. Women in Development/Gender and Development, which promoted gender equality. Second, the Ministry of Women's Affairs has been the catalyst and advocate for mainstreaming gender equality principles into development policies and programmes of the government. Third, the PD does not incorporate gender equality among its commitments or in its monitoring indicators, and while the AAA is supportive, it includes gender equality in only one commitment among many.

FINDING 27:

The evaluation would not attribute the PD/AAA with the achievement of gender equality results for women and girls in Cambodia. What can be said is that the PD/AAA has facilitated the progress of gender mainstreaming by offering an important platform for implementation, engagement and advocacy with a wide group of stakeholders, including central agencies, line Ministries, development partners and civil society organisations. In addition, the aid coordination mechanisms (TWG-G), planning (GMAPs) and monitoring tools (JMIs) developed to facilitate the implementation of its commitments have all helped strengthen the integration of gender equality mainstreaming into development processes at the national, sector and community levels.

3.7 IMPACT ON THE CAMBODIAN MILLENNIUM DEVELOPMENT GOALS

Cambodian achievements against the Cambodian Millennium Development Goals (CMDGs) are tracked by the UNDP; its *CMDG Summary of Progress in 2009* reports that Cambodia is very likely to achieve the following CMDG's: Reduce Child Mortality; Combat HIV/AIDS etc.; and De-mining. Two other CMDGs may also be possible to achieve if adjustments in development programming are made: Eradicate Extreme Poverty, and Promote Gender Equality. On the other hand, Cambodia is not on track to achieve the remaining CMDGs: Achieving Universal Education; Improving Maternal Health; and, Ensuring Environmental Sustainability, while there was insufficient data to comment on Global Partnerships. Specifically with respect to poverty reduction, the report states that:

Cambodia has made substantial progress in poverty reduction, since 1994, reducing poverty by about 17 percentage points over a period of 13 years, an estimated 61% progress towards targets. Over a three year period from 2004 to 2007, poverty was reduced from 35% to 30% at a rate of about 1.2% per year (with an average growth in GDP of 11 percent over this period).⁵⁹

Overall this is positive but it is difficult to make a causal link with the PD. But what is clear is that the PD has supported the creation of the aid architecture in Cambodia through which PD type improvements can be made in terms of the development policy framework, integrated planning, budgeting and monitoring systems, aid coordination, sector management and expenditure frameworks, etc. While all of this institutional development takes time, it does foster buy-in by stakeholders at multiple levels and enhances the possibility of improving aid effectiveness so that poverty and other CMDGs can be addressed. It is also the case that, for an aid dependent LDC such as Cambodia, where ODA accounts for half of the government budget and upwards of 80% of public investment, these external resources have made a significant contribution towards reaching national development goals. The precise contribution of the PD, however, is more difficult to define. The following is a brief summary of statistics relevant to the health and rural development sectors which are directly and indirectly related to the CMDGs.

Additional statistical data regarding the achievements toward selected CMDGS can also be found in Annex I of the Technical Volume.

Health Sector Improvements

Significant progress has been made in key health indicators between 2000 and 2005: infant and under five mortality rates have almost reached their CMDG targets; immunization rates and feeding practices are steadily improving; antenatal care from trained health personnel has increased substantially; access to improved water supplies is on target; innovative financial schemes have been developed to protect the poor from the costs of public sector user fees; the number of casualties from mines and unexploded ordnance has decreased considerably; and the HIV prevalence was brought down to 0.9 percent in 2006. Areas of concern include the high maternal and neonatal mortality ratios, child malnutrition and the reach of health services to rural communities (UN CCA, 2009).

The key challenges faced by the Health Sector relate to human resource management, service delivery, financing, governance, epidemiological transition and occupational health and safety. An additional challenge is maintaining the gains made in HIV prevention and address the risks of a second wave epidemic due to behaviours among groups at particular risk of HIV infection. Significant inequities also persist between rural and urban areas, across provinces and among people with different educational levels and economic status. Lack of access to health services plays a major role in maintaining or furthering poverty. (UN CCA, 2009)

HIV prevalence in the adult population aged 15 to 49 was estimated at 0.9 percent in 2006, down from 1.2 percent in 2003. The estimated number of people living with HIV (PLHIV) was 67,200 in 2006 (35,000 women and 32,200 men). Projections show that HIV prevalence is expected to further decline and to stabilise at 0.6 percent after 2010, with a total PLHIV of 51,200. The highest proportions of new infections are among married women (43 percent), and mother to child transmission (30 percent). Populations with high risk, such as Drug Users and Men who have sex with Men (MSM), have a considerable higher prevalence of HIV.

Agriculture and Rural Development Sector Improvements

The share of agriculture sector in total GDP increased from 30.8% in 2005 to 32.4% in 2008. (NSDP Update) The growth rate for agriculture sector was 5.5 percent in 2006, 5.1 percent in 2007, and 5.4 in 2008. The total cultivated land area in 2008 was 2.61 million hectares, producing about 7.15 million metric tons resulting in an average yield of 2.74 tons per hectare and a surplus of 2.02 million metric tons of milled rice. 31.6% of the total cultivated land (2,615,741 hectares) is covered by the current capacity of the irrigation system. (NSDP Update)⁶⁰

1,664,297 land titles have been issued, of which 3/4 are rural lands and 1/4 are urban lands. Of these, 1,070,665 titles were issued through systematic land titling process whilst 593,645 titles were issued through sporadic titling. To-date the land titling process has, therefore, covered between 23 and 24 percent of total land plots (6-7 million) throughout the Kingdom.⁶¹

According to the 2008 Cambodia Development Research Institute (CDRI) high food price study (*Impact of High Food Prices in Cambodia – Survey Report*, November 2008)⁶², about 12 percent of households, or 1.7 million individuals, were food insecure and most of these households were affected by increases in food prices. About 50 percent of such households reported cutting back on food as their coping mechanism while school drop-out rates increased from 13 percent in January 2008 to 22 percent in June 2008. The study also indicated that the number of food insecure people could increase to up to 20 percent of the population, or 2.8 million, in the 2008 lean season.

There are a number of challenges to diversify the economy and increase investment in agriculture. In addition to technical barriers in agriculture, these challenges include but are not limited to: diversifying the economy and increasing investment in agriculture; addressing the issue of land ownership and land titling; improving an unfavourable business climate; improving low levels of skills in the workforce; overcoming constraints and technical barriers to trade; and developing a productive safety net which would shield the rural poor from shocks and encourage entrepreneurship and risk taking.⁶³

Water, Sanitation and Hygiene are classified as rural development issues and are included as environmental indicators in the CMDGs under the responsibility of the Ministry of Rural Development (as opposed to being treated as health issues under MoH management).. Access to safe water and sanitation and the associated hygiene behaviours remain considerable health challenges with 11,000 deaths a year (30 per day) due to diarrhoea alone. The CMDG target for access to improved water source has been reached for rural areas (but not urban areas where at 67 percent, it remains below the CMDG target of 80 percent). This does not mean that the population has access to and uses safe water.⁶⁴

Wood and wood charcoal account for approximately 80% of total national energy consumption which is a major driver for deforestation and a barrier to livelihood development and security. Several rural areas are still affected by landmines. The wars of the past are still killing Cambodians despite rapid progress in recent years towards the achievements of CMDG 9. Cambodia remains among the three countries worldwide most affected by landmines in terms of casualties.

FINDING 28:

One of the main advantages of PD implementation with respect to the CMDGs is that the PD provides an expanded platform for engagement to carry out advocacy, education and collaboration on development of tools (i.e., the JMIs, NSDP, action plans, and poverty reduction strategies etc.) to help improve the situation on the ground and monitor progress. In addition, PD related mechanisms and tools developed to foster implementation of the PD, also help foster expanded buy-in from key line ministries, development partners and CSO advocates and help governments and development partners who are required to report on, and monitor, progress towards CMDGs. Although there is no direct link between the PD and the CMDG focus on poverty reduction, specific development projects in the 10 project sample generated significant poverty reduction outcomes using pro poor programming strategies that have made sustainable improvements in the lives of the targeted communities and vulnerable populations. These developments are consistent with the PD.

3.8 UNINTENDED CONSEQUENCES OF THE PARIS DECLARATION

The unintended consequences of such an ambitious and potentially far-reaching reform as the PD may include the following unintended consequences:

The PD is a derivative of the MDGs and results-based approaches that have dominated the development paradigm in recent years. The focus on quantitative evidence and the implicit assumption that outcomes can be achieved through increasingly scientific programming and measurements limits the possibility to make more use of incremental learning and emergent approaches that recognise aid as just one (increasingly minor) influence on social and economic development. The PD is seen by some as part of a bureaucratisation of development that ignores complexity and can stifle innovation. Development is, in fact, more than a set of technical fixes. The PD may have served as a timely reminder of this at a time when private aid and philanthropic funds are beginning to demonstrate the utility of other approaches.

At a minimum, there is potential for greater complementarity between these different approaches as well as for greater learning and exchange among proponents of different approaches.

The PD represents a singular view of what it means to be "effective", usually implying a rational, linear and technical prescription of fixes to the challenges observed in the original PD document. It is seldom acknowledged that the PD is itself far from value-free and is based on neo-liberal ideas of public sector management. This has unintentionally limited discussion and thinking around impact and effectiveness and about what it means in the country context for the RGC and DPs. Examples include avoidance of reform overload; being more sensitive to the political context and the continued trade-off between state building and public sector efficiency; understanding the role of partnership dynamics that must complement technocratic interventions to achieve results; the internal incentives and drivers of DP behaviour that limits harmonisation efforts). Instead the stakeholders have become locked too much into process issues such as "division of labour", consultation/coordination meetings, or developing policy on technical cooperation. As a result, some development partners who have other ideas of what "effectiveness" entails appear to have been quiet rather than oppose the singular emphasis on results.

The focus on technical fixes and the assumption that every problem can be diagnosed and a solution prescribed overlooks the complexity of what happens in the aid world where there is interaction with the increasingly important non-aid world. The "bigger system" in which development takes place is often seen as of less importance for development partners who are struggling to implement PD reforms within their own remit. This tendency appears to have had a negative effect on the amount and diversity of involvement of civil society because Development Partners tend to work with a few centrally-located NGOs which can assist them to monitor PD type activities and results rather than work with a wide range of NGOs and CSOs throughout the country.

Consequently, the PD has limited the focus on broader dimensions of national development from several perspectives – 1) Resource perspective (the role of other forms of finance, private, domestic investment, natural resources etc); b) Socio-cultural perspective (values and aspirations of the country, political factors etc); and c) More pro-active searching for alternative ideas and innovative solutions to development challenges. Cambodia, despite its LDC status, clearly has many more important non-PD drivers and financiers of its development vision. The lessons of the PD allow significant insights to be made into the nature of reform dynamics, making the PD experience itself an important learning opportunity about how change may be approached, and how aid practices themselves can continue to be reformed to more effectively support change in partner countries.

Capacity development, an important corollary of the PD, has suffered a similar fate. Approaches to capacity are described in western terms, not allowing enough space to consider the good (but difficult to operationalise) work being done on systems and the complexity required for application in a culturally appropriate manner. Similarly, other disciplines such as cultural anthropology can shed light on the behaviour of development partners and Cambodian actors.

Norms and values are not discussed in the PD or the MDGs. Although Cambodia has managed to successfully integrate most cross-cutting priorities into its aid management mechanisms, there is still some risk that the PD focus on sectors can marginalise non-sectoral issues that are more political than central to national development. If the PD is implemented too rigidly, many of these may slip through the cracks. A more contextualised and holistic approach needs to be taken to understanding aid relations and to identifying solutions that recognise the multi-faceted interests and complexities of aid.

The PD has placed emphasis on working with Government which has drawn fire from NGOs even though NGO core and non-core funding in Cambodia has increased significantly during the PD period. DP efforts to work with CSOs have been shaped by the PD lens and have in many cases focused on finding

organisations (usually based in Phnom Penh) that can conform to the somewhat mechanistic world of the PD (umbrella NGOs with partially verified constituencies or advocacy groups). If this has been at the cost of working with CSOs in its truest sense – building social capital at community level – this may represent a degree of collateral damage from the PD but this conclusion requires much more research.

The harmonisation pillar of the PD has undoubtedly increased transaction costs for DPs who spend significant time talking amongst themselves. The Government also reports continued high additional management and administration costs linked with the coordination function. Given the well-established finding that aid effectiveness efforts in Cambodia pre-date the PD by some considerable time, it is possible to argue that these PD-type arrangements will require permanently higher costs. Arrangements need to be made to accommodate them if the benefits, in terms of development results, are considered to outweigh these costs. Indeed, if the areas that continue to challenge the PD (harmonisation of DP procedures, use of Government systems etc.) are to be addressed, further reconfiguration of Government and DP staffing will be necessary. Anecdotally, it seems true to say that most Government and DP offices have not been restructured to facilitate multi-partner processes but rather have simply been forced to adapt and accept this as an "extra burden".

Increased meetings about alignment and harmonisation have not led to a marked increase in co-financing or joint initiatives focused on strengthening Government systems. Where these have taken place (e.g. PFM reform, health sector), the PD adds weight to the argument but it is perhaps secondary to the leadership of Government and to DPs being catalysts. The PD needs to be seen as one reform among many. Issues such as incentives and motivation, central to the use of country systems and sustainable capacity development, appear to have been overlooked by the PD approach.

In cases of DP non-compliance, the real agenda of some DPs has been brought into sharp focus by the PD through their actions, i.e. "actions speak louder than words". While the MDGs do seem to have had broad support, the areas in which DPs work, and the manner in which they deliver their resources (especially technical cooperation), is clearly something over which they wish to retain full control based on their own interests and agendas. In a capacity-constrained LDC context, where "donors have always called the shots", the power inequities and status quo create significant obstacles to change. Recent events in Development Partners indicate that aid may become more politicised and employed as a tool of foreign policy by some DPs which will be a challenge to any successor of the Paris Declaration.

4. FRAMEWORK FOR CONCLUSIONS

This framework for conclusions summarises the results achieved in Cambodia. The conclusions point to important factors that have affected the relevance and implementation of the Paris Declaration and to difficulties that have limited the PD's influence. The evaluation recognizes that achievements in Cambodia are best described as being part of an ongoing time continuum with some actions and achievements preceding the introduction of the Paris Declaration. Some of these achievements provided building blocks which created the enabling conditions for the achievement of the results identified since the Paris Declaration. The endorsement of the PD principles has not only led to better understanding about what has to be done but has also increased the collective capacity of all stakeholders to get things done by utilizing available resources more effectively. This capacity is what has helped Cambodia move forward.

In Cambodia as elsewhere the rationale for committing to the PD came from a variety of factors: i.e., the desire for increased country ownership for aid; the need for more country leadership in setting priorities for development investments; the sense that development aid had at times undermined

national priorities and national systems; the strengthening of a national development strategy to set country priorities; and, the need for better coordination of too many projects which bypassed the national budget and were not accountable to the Cambodian parliament. Moreover, aid sometimes came with conditionalities or focused on only certain sectors, and was not necessarily in line with Cambodian priorities. Globally and locally, there was wide agreement that better dialogue was needed between government and development partners on aid effectiveness. Finally, there was agreement that capturing results, demonstrating sustainability, and monitoring and evaluation of aid needed to be improved since government and development partners needed to be more accountable for aid effectiveness.

These general conclusions were derived from the 28 findings in the report which respond to the three core questions. Conclusions with regard to gender equality have been mainstreamed into several conclusions as appropriate. Table 7 below identifies each general conclusion by title and the corresponding findings as numbered in this report upon which they are based.

Conclusions	Findings
1. Relevance	2, 3
2. Ownership	4, 6, 10, 11, 12
3. Alignment	5, 10, 13
4. Harmonization	7, 10, 12, 15, 16, 23
5. Managing for Results	1, 10, 19, 25
6. Mutual Accountability	1, 10, 20, 21, 24
7. Conflicts and Tradeoffs	4, 5, 6, 7, 8, 9, 10, 27, 28
8. Results and Sustainability	1, 3, 4, 9, 23, 24, 25
9. Burden of Aid Management	13, 15, 17, 23
10. Value Added of PD/AAA	8, 22, 23, 24, 26
11. Key Messages: National Stakeholders	All related to Cambodia
12. Key Messages: Development Partners	All related to development partners
13. New Challenges and Actors	10, 18

4.1 RELEVANCE OF THE PARIS DECLARATION

Globally, growing support for the PD principles has produced changes in the way development partners and developing countries do business with each other. In Cambodia it is now the norm for the Government to discuss their national development strategies with their parliament and electorate (ownership), and for development partners to support these strategies. Although not the norm as yet, development partners are demonstrating increased efforts to work with other development partners (harmonization). Progress is increasingly being measured through use of clear concrete targets (managing for results) and partners are increasingly holding each other responsible for these results through joint monitoring (mutual accountability). Also, CSOs and NGOs are becoming active players ensuring that accountability is more widespread and inclusive than in the past. With respect specifically to relevance, in Cambodia the PD has consolidated pre-existing policies and priorities to manage aid effectiveness and strengthen a variety of reform efforts while benefitting from a strong stable government at the national level supporting economic growth and poverty reduction. (Findings 2 and 3)

General Conclusion # 1 - Relevance of the Paris Declaration in Cambodia

The PD has contributed to setting the context of aid effectiveness cooperation in Cambodia at the policy level. Specifically, dialogue on the PD at the central level in particular has contributed to development of mechanisms and processes that encouraged: 1) supporting the strengthening of

national systems; 2) implementing core public service reforms; 3) developing programme-based approaches, and; 4) applying Joint Monitoring Indicators to support mutual accountability. In addition to helping to set aid effectiveness priorities, PD commitments have guided the National Strategic Development Plan towards achievement of the Cambodian Millennium Development Goals. Finally, the PD helped secure partnership commitments on the scope and targets of enhancing aid effectiveness in Cambodia and globally. Beyond the central and sector RGC/DP dialogue, especially at sub-national level, the PD has markedly less profile and influence, although the practices that are associated with it – such as ownership, alignment and partnership do have some currency.

4.2 IMPLEMENTATION CHALLENGES FOR THE PARIS DECLARATION AND ACCRA AGENDA FOR ACTION

To what extent has each of the five principles of the Paris Declaration been observed and implemented, and the Accra Agenda priorities reflected? Why? Have there been conflicts or trade-offs between them?

Ownership – Country and local leadership and ownership have clearly been at the top of Cambodia’s development agenda for quite some time. Given the historical antecedents, the emphasis on fostering ownership through capacity building and capacity utilisation has proven to be successful. The CRDB/CDC Synthesis Report on Aid Effectiveness concluded that where “the Royal Government of Cambodia demonstrates effective ownership it appears to develop capacity to implement programmes more quickly. Similarly, where nascent capacity is already present, it can be harnessed to improve policy formulation and cement ownership”⁶⁵. On examining this inter-play between leadership, ownership and capacity with respect to the development agenda, there have been many enabling factors, most notably:

- The leadership role played by the CRDB/CDC (in aid relations) and the Ministry of Planning (with respect to the NSDP) has helped to strengthen local ownership to set the development agenda in Cambodia;
- The role of operational advancements with respect to local ownership, i.e., the evolving system for knowledge management, the Cambodia ODA Database, the CRDB/CDC website, the array of meetings of Technical Working Groups etc. (2004); and,
- Action plans and guidelines developed using country systems including: those for provision of technical cooperation, aid effectiveness reports, Harmonization, Alignment and Results (H-A-R) and Joint Monitoring Indicators (2004).

The Government has increased its leadership and ownership especially at the policy level through the evolving aid architecture, i.e., national strategies and national frameworks, aid coordination and consultative bodies, collaborative development planning and monitoring processes, etc. which have all been strengthened since the advent of the PD. Ownership is still more concentrated in the central government and there needs to be increased input from the sub-national and commune level of decision-making if ownership is to become meaningful. As well, CSOs nationally and locally, as well as beneficiaries in the provinces working on sample projects felt that they needed to be more empowered through local project ownership. (Findings 4, 6, 10, 11 and 12)

General Conclusion # 2 – Ownership

The Royal Government of Cambodia has increased its leadership capacity and ownership by implementing national development strategies, translating them into medium term expenditure frameworks and establishing inclusive aid coordination mechanisms to direct aid flows, although full ownership will not be achieved until country systems are strengthened and used to manage aid flows. Progress involving provincial and local authorities, including the participation of women at the commune level has been slower to emerge. While there has been some systemic strengthening of provincial health authorities, the creation of community health clinics and increased autonomy of commune councils, this can be accredited to a small number of jointly designed investments using a programme-based approach aligned with the sector wide management approaches. Nevertheless, there are a significant proportion of development partner investments that do not foster local ownership. Consequently, the PD has strengthened ownership by the central government and has influenced the development of the aid architecture, while its influence on some development partners is less evident for those who continue to have considerable control at the local level over project selection and implementation through the application of their funding criteria and use of resources.

Alignment – On one hand there are increasing efforts by the government and development partners to establish an agreed upon development policy framework, i.e., NSDP and sector programmes which is a positive sign of alignment. On the other hand, the use of national financial management, procurement, audit and reporting systems by development partners is limited to a handful of core development partners usually led by the international financial institutions. Too many development partners continue to exercise considerable control over the investments they make, including choice of aid modalities, geographic scope, project design and implementation decisions, and the use of technical cooperation, through application of their funding priorities and criteria. Thus there is a trade-off between securing ownership and delivering short-term results.

While the country's public sector management systems and institutions are admittedly weak by international standards, bypassing them does not contribute to their strengthening through the added transparency, oversight and technical support that could otherwise be employed. Many Cambodian stakeholders and beneficiaries expressed this same viewpoint that if development partners wanted to strengthen country systems to international standards, they needed to work with them to do so. They spoke of the need for more alignment in the use of financial management, auditing, procurement, monitoring and evaluation frameworks. Similarly, at the local level there are serious concerns with regard to respecting local development priorities and utilising the local capacity of institutions and human resources to improve alignment. (Findings 5, 10 and 13)

General Conclusion # 3 Alignment

Although RGC leadership and ownership has helped to play a positive role overall, progress on alignment remains incomplete. Alignment can be divided into two separate areas: 1) Alignment with respect to the country's development policy framework and sector programming priorities, and 2) Alignment with respect to the utilisation of country systems, institutional capacity and local expertise. Where the NSDP and sector strategies provide clear guidance, alignment is evidently improving with respect to the former, but is still a work in progress with respect to the latter. Few bilateral development partners are prepared to raise their fiduciary risk tolerance levels in order to utilise existing country systems and thereby strengthen their capacity. At the local level there are far too many development investments which are aligned with broad sector priorities but could be better aligned with local priorities and rely more on existing local institutional and human

capacities. The strategy of capacity development through capacity utilisation to improve alignment and results was advocated by almost all Cambodians engaged by the evaluation.

Harmonization – Development partners have moved toward harmonizing their efforts in particular sectors through participation in TWGs and sector wide management approaches. However few development partners appear willing to standardise their procedures or to relinquish their individual roles in particular sectors. The sometimes competitive nature of development which has been well documented in Cambodia influences development partner behaviour. The impact is that some sectors receive substantial assistance while others lack adequate support which can skew country priorities. For example, governance and administration together with health and HIV/AIDS are sectors that are well supported by development partners in Cambodia. Education, rural development and agriculture however, are amongst the important sectors that consistently receive funding below levels requested in the Cambodia National Strategic Development Plan (NSDP).

Efforts are being made to harmonise aid delivery as well as to secure alignment objectives by establishing and strengthening programme-based approaches. The RGC and its core development partners have made concerted efforts to implement sector wide management (SWiM) and sector wide programme (SWAp) approaches at the sector level, including the targeted health and rural development sectors; however, this predates or was contiguous with PD implementation. Many of the programme-based approaches at the investment level do not meet all of the PD or Cambodian characteristics of a programme-based approach and do not appear to reduce significantly the overall administrative burden of aid delivery. Further efforts towards more mature and robust PBAs need to be made if the potential efficiency and results-based impact of PBAs are to be realised.

Part of the rationale behind harmonization was to try and reduce duplication of effort and implement common arrangements, i.e. standardized reporting, performance measurement frameworks, diagnostic studies, audits, monitoring and evaluation at the country level. The problem is that some of the above are still a challenge, i.e., results frameworks and reporting against them are often still not standardized even for projects within the same “programme-based approach”. Operational management practices imposed on development partner Country Offices by their Headquarters Offices tend to take precedence over local harmonisation efforts. Their policies and procedures often have a stronger influence on Country Office staff behaviour than the PD principles and tend to drive partnerships and the selection of aid modalities. Consequently, the proliferation of standalone projects and overlapping and poorly-programmed technical cooperation, often deliver sub-optimal results in terms of capacity development, and result in a high degree of fragmentation in aid delivery that continues to place a heavy administrative burden on the recipients. (Findings 7, 10, 12, 15, 16, and 23)

General Conclusion # 4: Harmonization

The CRDB/CDC has established the aid coordination mechanisms to facilitate harmonisation and there has been progress as evidenced in a few key multi-donor programme-based approaches in the health and rural development sectors. Most development partners however are often caught between working in harmony and responding to differing priorities and concerns of their Headquarter Offices. In addition, strong pressure remains on some development partners to retain direct accountability for their own aid allocations. The inevitable consequence is the continued fragmentation of aid investments and multi-sector involvement of many development partners. Although there has been some progress on harmonisation, mostly in terms of dialogue and planning, the basic issue of confidence and trust by development partners in each others' systems and the acceptance of the concept of shared accountability will need to be addressed in order to achieve significant harmonization at the investment or operational level.

Managing for Results - There is ample evidence to conclude that managing for results has been adopted at the national and sector levels and linked with implementation of the PD and associated RGC reforms. For example, the development and updating of the Joint Monitoring Indicators, including integration of aid management priorities, has generated increased dialogue and understanding of national level development results, relevant monitoring processes and has led to better clarification of sector priorities. Sector wide management approaches in the health and rural development sectors constitute comprehensive programmes with joint monitoring frameworks. The Ministry of Women's Affairs (MOWA) has also produced gender equality disaggregated indicators which have made it possible to manage for results with respect to gender equality. There is also tracking of the CMDGs. While regular data collection and reporting on the achievement of development outcomes is still evolving, the basic structures, processes and responsibilities have been determined and a results-based working culture is now being established.

Managing for results at the investment level remains inconsistent from one development partner to another with a greater emphasis on planning for results than on managing and reporting on results. The evaluation had difficulty completing its sampling framework due to document accessibility issues and the absence of data on development outcomes achieved in the documentation it was able to access. Analysis of the sample of 10 development (project) investments revealed that even after considerable research, 4 reflected little commitment to managing for results and mutual accountability. On the other hand those investments that reflected a holistic commitment to applying all the PD principles appeared more likely to generate development outcomes on a more significant scale. (Findings 1, 10, 19 and 25)

General Conclusion # 5 - Managing for Results

The commitment to managing for results is evident in the areas where the CRDB/CDC and other central and line ministries have been able to exert influence in concert with its core development partners, i.e. at the national and sector levels through the Technical Working Groups. The flow of performance information from the investment to the sector and then to the national level is better in cases where a holistic commitment to the PD principles was evident. A significant proportion of investments however did not have adequate monitoring frameworks and systems in place to enable results-oriented decision making and reporting on outcomes at the investment level. Consequently, their contributions to Cambodia's development efforts are unknown and cannot be judged or taken into consideration in sector management efforts. The Paris Declaration has not been a determinant factor in influencing managing for results at the investment level although it has informed planning and monitoring processes at both the central and line ministry level.

Mutual Accountability – According to the PD, both recipients of aid and development partners are supposed to be mutually accountable for development results. Cambodia is one of only 14 countries which did a review of mutual accountability and developed a set of tools including Joint Monitoring Indicators, National Sector Review Arrangements, Cambodia ODA Database and Aid Effectiveness Reports. Nevertheless, the RGC has acknowledged that there are increased opportunities for mutual accountability among government partners, development partners and civil society organisation partners through aid coordination mechanisms and joint monitoring and evaluation processes already discussed.⁶⁶

From the government partner side, there is an expectation for increased transparency through the involvement of Parliament in formulation of national development strategies and budgets as well as in monitoring progress. There is also an expectation that government partners will create more systematic opportunities for civil society organisations to participate in formulation of national development policies and comment on fulfilment of commitments and achievement of results. From the development

partner side, there remains the expectation that improved use of country systems, including support to institutional strengthening at the sector level, will be essential to move beyond the current impasse.

Cutting across all the aforementioned areas for improvement, there is a demand for more consistent reporting on contributions to Cambodia's development outcomes, i.e., CMDGs. As previously noted, a significant proportion of the investments reviewed in developing the sampling framework for this evaluation did not have documentation which included evidence of outcome achievement. Mutual accountability for demonstrating the achievement of development results to parliamentarians, civil society organisations and the wider public cannot be realised under these circumstances. It was therefore not surprising that mutual accountability and managing for results were the two weakest PD principles in terms of demonstrated commitment in our sample of development (project) investments.

Although there have been many positive developments in building mutual accountability there are still challenges, e.g., some development partners were not willing to provide annual progress or evaluation reports without checking with their headquarters; some government officials were unable to speak with the evaluation team without obtaining permission from superiors and some simply didn't show up for planned meetings. If the dual purpose of evaluations were better understood, their contribution to mutual accountability and learning, would certainly contribute to enhancing and reporting on development results. (Findings 1, 10, 20, 21 and 24)

General Conclusion # 6 - Mutual Accountability

Mutual accountability for development results and reporting on outcomes has taken hold at a national level as evidenced in the consultative manner in which the National Strategic Development Plan and Joint Monitoring Indicators were developed, updated and operationalised. Progress against targets is also discussed at a high level in the context of the various aid coordination mechanisms. However at the sector, and especially the investment level, the practice is not as widespread due in large part to the asymmetric accountability relationships between those who deliver aid and recipients of aid. The significant proportion of investments that do not report on development outcomes suggests a breakdown in mutual accountability and a need to develop M&E capacities across RGC as an integral part of the core reforms. The Paris Declaration has not been a determinant factor in influencing mutual accountability at the investment level. While it has been applied and incrementally strengthened at policy level and aggregate results reporting, mutual accountability remains a work in progress and requires broadening to engage other actors and deepening to include investments and other aspects of aid activity.

Conflicts and Trade-offs among PD Principles – Country ownership is the first Paris Declaration principle and considered the overarching factor that presumably enables commitment by development partners to the remaining four principles. What this evaluation has found is that leadership and ownership is a necessary condition, but not sufficient without the institutional capacity, to fully enable alignment and harmonisation. The RGC has demonstrated its capacity to formulate a development policy framework that should enable development partners to align their investments accordingly, but the capacity of public management systems is such that full alignment demonstrated by the use of country systems is still far from being achieved. Development partner accountability to HQ/Capitals, dominates over notions of mutual accountability, and tends to undermine truly authentic approaches to ownership, alignment and harmonisation.

Similarly, the RGC has demonstrated considerable leadership in establishing and leading aid coordination mechanisms and sector-wide management approaches which should enable both alignment and harmonisation. Yet what the evaluation has found in its examination of programme-based approaches, a key harmonisation indicator, is again a general reluctance to use country systems

leaving most of these harmonisation efforts to fall short of the ideal. As an overarching factor, one might have presumed country leadership and ownership to be an independent variable, whereas what the evaluation has found and widely supported in the capacity development literature is that it is a dependent variable relying on the level of institutional capacity. The potential efficiency gains of the PD have therefore proven to be elusive in many cases since PD arrangements have often been additional to, rather than instead of, traditional bilateral arrangements.

The Paris Declaration principles are intended to be mutually reinforcing but there are tradeoffs. The RGC has acknowledged the need and importance of strengthening its country systems and have invited development partners to support its institutional capacity building efforts in this regard. Given that this national priority has been identified and discussed in mutual assessment reports and in high level aid coordination meetings, one might have expected a coordinated capacity building effort by the development partners in accordance with their commitment to alignment and mutual accountability. The evaluation has not found this to be the case, but rather a wait and see position has been taken by most development partners even though they support the need for diversified aid delivery modalities. In a context of less than optimal institutional capacity, achieving country ownership sooner rather than later appears to be dependent on the willingness of DPs to take some risks and for the RGC to demonstrate that it is fully committed to mitigating risks. (Findings 4, 5, 6, 7, 8, 9, 10, 27 and 28)

General Conclusion # 7 – Conflicts or Trade-offs among PD Principles

The importance that the Paris Declaration has placed on country ownership as the determinant factor, or independent variable, which influences or even causes the extent of commitment by government and development partners to the remaining four principles appears to be unfounded. Achieving country ownership is on the contrary dependent on two main factors, the country’s institutional and human capacity and the willingness of development partners to strengthen capacity where it’s needed, i.e. to foster country ownership. Therein lies the potential contradiction and trade-offs when development partners’ commitment to country ownership are jeopardised by their vested interests.

4.3 CONTRIBUTION TO AID EFFECTIVENESS AND DEVELOPMENT RESULTS

What has the Paris Declaration achieved for aid effectiveness and development results? How significant are these contributions? How sustainable? Is there evidence of better ways to make aid more effective and contribute more to development results, for women and men and for those who are excluded?

In Cambodia the PD has been most effective in guiding centrally located stakeholders in their efforts to improve aid effectiveness; beyond central government, development partners and Phnom Penh-based NGOs with a coordinating mandate, the influence of the PD has been more limited. A number of evaluation findings point to how the PD has helped to improve aid effectiveness and enhance development results where it has been able to exert influence. For example:

- Integrating and strengthening pre Paris Declaration reform efforts (finding 3);
- Strengthening Cambodian ownership of development (finding 4);
- Strengthening mutual accountability at the national level and sectoral levels (finding 9, 10, 21);
- Widening engagement in aid effectiveness to include government, development partners and civil society organisation partners (finding 10);

- Developing social capital, nationally and in the regions, where projects and programmes promote empowerment for women and men, and for others who are excluded (finding 23); and,
- Supporting the move towards programme-based approaches which harmonise development investments within specific sectors (Findings 24, 25).

As also noted in the evaluation findings, the significance of the above contributions has been to bring development partners together with each other and government and CSO partners in TWGs, CDCF, and GDCC etc. which has helped to begin to change partner attitudes towards the benefits of working together using programme-based approaches that promote harmonization. The “Making Partnerships Effective” exercise, perhaps unique in supporting DP-country relationships, has been influential by focusing specifically on these partnership dynamics. At the same time, the evaluation has demonstrated that at the level of behaviour, there remain real difficulties in aligning DP systems with those of the government in terms of actual use of Cambodian systems by development partners. At present with alignment and harmonization, more change is evident in attitudes in line with the PD than in behaviour.

The fact that the evolving aid architecture is well institutionalized within the Royal Government of Cambodia provides a strong basis for sustainability. This is reflected in the structure composed of: continuing opportunities for partner dialogue including widened participation of government, development partners and CSOs in (TWGs, CDCF, GDCC etc.); implementation of core reforms in government; and improved use of JMIs to measure results.

Evidence of better ways to make aid more effective and contribute more to development results for women and men, and those who are excluded, include expansion of programmes similar to those in some of the 10 evaluation sample projects which focus on ensuring significant participation by the rural poor in controlling their own realities. For example, the HSSP2, a sector wide management approach being implemented by the Ministry of Health supported by multiple development partners and NGOs, supports local ownership and contributes to sector wide joint planning and decision making. At a wider level, bringing CSOs into the TWGs is positive since it brings in a wider group of stakeholders at the in country level and at times provides an alternative vision to that being promoted by the government.

Similarly, progress on gender programming demonstrates how the platform for engagement created by the new aid architecture promoted gender mainstreaming, awareness and budget support for gender sensitive programming. Partly through this platform, gender is being addressed by the government ministry responsible (MOWA), supported by key line ministries, embedded technical advisors, and the TWG-G which includes government, development partners and civil society organizations etc. Finally, the evaluation sample of 10 projects demonstrated that 3 of the 6 health investments exhibited a high degree of commitment to PD principles as did 2 of 4 rural development investments which suggests that PD principles are influencing project/programme implementation which bodes well for future sustainability. (Findings 1, 3, 4, 9, 23, 24, 25)

General Conclusion # 8 - Contribution to aid effectiveness, results and sustainability

The Paris Declaration has unquestionably had a positive influence on improving aid effectiveness in Cambodia, particularly in terms of development policy framework, aid coordination mechanisms, and sector wide management approaches. These are significant and sustainable results which have translated into some development investments which reflect all or some of the PD principles in their design and implementation. Whether they reflect only some of the PD principles or none at all, the evaluation recognises that important development results are generated nonetheless. The question is really whether those investments which reflected all the PD principles generated enhanced development results that addressed identified needs, on a broad scale, for a significant number of beneficiaries in a sustainable manner while minimising the administrative burden on

the recipient organisations. From this perspective the evaluation concludes that the PD has had a positive effect on the achievement of development results. Furthermore, when there is mutual accountability for managing and reporting on development results at the investment level there is the added benefit of informing and strengthening sector management, as well as the strengthening of national level monitoring of development partner contributions toward the achievement of the Cambodian Millennium Development Goals. In keeping with earlier conclusions, however, there is undoubtedly more to be done to strengthen the link between aid management and development results, especially at the investment level. This will require continued effort as well as further changes in working practices and culture.

4.4 IMPLEMENTATION EFFECTS ON THE BURDENS OF AID MANAGEMENT

What effects has the implementation of the Paris Declaration had on the respective burdens of aid management falling on the partner country and its respective donors, relative to the changing volumes and quality of aid and the aid partnership itself? Are these effects likely to be transitional or long term?

The burdens, noted in the Cambodia Evaluation of Aid Effectiveness reported by Wood et al, with respect to PD implementation transition and transaction costs still exist as validated by interviews with government partners, development partners and aid recipients carried out in this evaluation.

Although Cambodian authorities are more in control of their aid agenda, they have the increased burden of managing numerous development partner interventions (single, multi-donor and programme-based approaches) and indeed are currently attending more coordination meetings and are jointly responsible for creation and collection of monitoring indicators. Development partners and CSOs also report increased workloads but they also see this time as beneficial to improving the aid partnership.

Lack of trust in country systems by some development partners and many parallel development partner systems (i.e. PIUs) remaining in place add to the administrative burden. As noted previously, there is also a lack of standardized reporting, and limited use of country systems by development partners, which also leads to duplication and higher costs. Harmonization is not being demonstrated in terms of division of labour or decreased numbers of single development partner investments etc.

On the positive side, the dialogue between partners and the increase in programme-based approaches have made aid management more consultative and contributed to substantial discussion of the aid partnership. But these otherwise positive developments have also increased costs in terms of time. Another positive is that aid flows to the government sector are more predictable because of the multi-year indicative financing framework which helps the government plan its budget allocations. This makes management easier whereas the earlier points make management more difficult.

Finally, as to whether these effects will be transitional or long term, it will depend on how development partners respond to suggestions about moving toward fully integrated PIUs and the use of country systems in a step-change fashion, i.e., slowly, so as to mitigate the risks while building capacity of country systems. In addition, the PD principles will certainly be supportive of the government's efforts to continue the process of administrative reform which builds the capacity of the public service. (Findings 13, 15, 17 and 23)

General Conclusion # 9 – Increased Burden of Aid Management

Reducing the burden of aid management for all concerned which was a key reason for aid reform has not yet taken place in Cambodia and remains high. This is the result of an ODA management approach which continues to promote dependence through the project approach being the default mode for aid delivery. Whether this will change in the long term remains to be seen, but improved efficiency for both RGC and its development partners will be dependent on a move toward programme-based approaches that use government systems and support implementation of core RGC reforms. An improved division of labour for countries of the European Union, which they are pursuing under the Roadmap, may also have a positive demonstration effect that encourages similar practices by others. On the positive side, there is increased predictability in terms of multi-year indicative financing and much more multi-stakeholder dialogue about development aid. Reduction of costs will depend partly on whether development partners take the risk of using country systems and whether the government continues to implement broad public sector reforms. Ultimately, whether increased costs will be transitional or long term will depend, not only on the “hard” administrative technologies/mechanisms for managing aid, but also on the “soft side”, development of trusting relationships and understanding between country and development partners. It is difficult to have a clear view as to whether the net cost of managing aid will be reduced since it is unclear as to what changes will be made in the future to address the issues raised by this evaluation report.

4.5 VALUE ADDED OF PARIS DECLARATION-STYLE DEVELOPMENT COOPERATION

What has been the added value of Paris Declaration-style development cooperation compared with the pre-PD situation, and seen alongside other drivers of development in the country, other sources of development finance and development cooperation partners beyond those so far endorsing the Declaration?

Prior to the Paris Declaration there was growing concern that development assistance was being driven by donor priorities and systems with the wide variety of procedures for preparing, delivering, and monitoring development assistance. Donors operated in isolation of one another and placed excessive demands on partner country resources which were beyond their capacity to meet. Partner countries lacked information on how, when and where development assistance was being delivered because it was not coordinated with their national planning cycles nor integrated with their budget processes, public expenditure and financial management systems. This led to partner countries being disenfranchised of the possibility of leading and coordinating development efforts and thus a loss of ownership of the development process. Many of these problems have been ameliorated, in part due to the influence of the PD, but continued effort and reform of aid management practices is still required.

Rather than representing a change in direction, the PD is complementary to many prior aid reform strategies including the Rome Declaration on Harmonisation, the Marrakesh Memorandum on Managing for Development Results, etc. Reforms were underway in Cambodia prior to the PD which included the preparation of the National Strategic Development Plan along with the Cambodian Millennium Development Goals, opportunities for dialogue, harmonization of development practices, procedures and policies. The PD/AAA contributed to this progression but the dialogue and most of the initiatives had been launched beforehand. Since then, PD implementation has been characterised by a more inclusive and larger number of stakeholders involved in the aid dialogue, development planning

and aid coordination. It provided additional momentum towards public sector reforms and many more initiatives such as sector wide management approaches, advocating the use of programme-based approaches and integrated project implementation units. Most importantly, the PD principles and related commitments provided a framework and standards against which the partners in development could hold each other accountable to apply good development practices.

The importance of development assistance should be viewed in context. While it accounts for 10% of GDP and half the RGC budget, other factors are also important determinants of the country's development trajectory and growth path. These include: foreign and domestic private investment, the financial crisis and response to the global recession, potential oil and gas reserves and exploitation of other natural resources, the ending of the Multi-fibre Arrangement and other bilateral agreements affecting the garment industry, the geopolitical changes and instability in the region etc., all of which have an impact on the country's overall development and on poverty reduction as well as on the relative importance of ODA in determining development strategies.

The objectives of development investments linked with the PD and the objectives of large private businesses from countries such as Malaysia, the largest investor in Cambodia for the past 15 years, or emerging donors such as China and Korea are not the same. Obviously the profit motive drives companies, and the desire to acquire needed resources and influence, drives many emerging donors. (Findings 8, 22, 23, 24 and 26)

General Conclusion # 10 – Value added of the Paris Declaration

The Paris Declaration-style of development cooperation in Cambodia preceded the advent of the Paris Declaration. It has nevertheless created the rationale and framework for enhanced dialogue on aid effectiveness which has added value to development strategies, aid coordination and reforms to support better aligned and harmonised aid delivery. The PD, through its monitoring and evaluation strategy, has also encouraged the joint review of development assistance by the government, development partners and other stakeholders in an effort to improve aid effectiveness. It has mainly added value in the relationship between central government and DPs in high-level policy dialogue and sector programming. At the level of project investments and outside of the capital, the influence of the PD quickly dissipates. A small number of centrally-located NGOs have been able to engage in the PD dialogue and have become increasingly influential but the extent to which they can be said to represent civil society broadly is less certain; the PD may have therefore unintentionally narrowed the opportunity for aid relations to influence social capital and the development of a thriving civil society. While ODA remains a significant resource for the public sector, it needs to be regarded as only one amongst many influences of the national development strategy and economic and social development of Cambodia.

4.6 KEY MESSAGES

What are the key messages for a) national stakeholders, and b) donor countries and agencies?

National Stakeholders: These include the Government, at the national, regional and commune levels, CSOs, the private sector etc. The key messages overall for national stakeholders with respect to the PD/AAA are primarily related to ownership and mutual accountability. With respect to ownership, it is important to continue the promotion of strong local leadership, supported by local capacity building, both at the institutional level and with respect to local human resources.

The government has invested in a number of initiatives with respect to improved planning and enhancing multi-stakeholder cooperation, i.e., the Technical Working Groups (sectors/thematic), the Joint Monitoring Indicators, budgeting and performance assessment frameworks including those specific to gender equality, etc. These systems have been created to help promote country ownership of development assistance and to demonstrate commitment to managing for results. However, according to many development partners, there is still a need to continue to improve country systems to bring them up to international standards. In addition there are criticisms that sub-national and commune levels of government are not sufficiently involved, although on-going decentralisation reforms are informed by the same underlying values and model of good governance that informs the PD.

In order for development partners to put faith in country systems, they need to have confidence in the strength and transparency of those systems. Using the World Bank Governance Indicators as a guide, governance has improved in Cambodia on the important variable of political stability and absence of violence, but more work needs to be done on the other 5 governance indicators: voice and accountability, government effectiveness, regulatory quality, rule of law and control of corruption.

General Conclusion # 11 - Key messages for national stakeholders

The key message to the government is to continue to assert leadership on implementation of the PD principles, develop country systems and build local capacity at the national, sub-national and commune level and support increased CSO and private sector involvement. While ownership is perhaps the principal driver of aid effectiveness, the evaluation has found that it, in turn, is also strongly influenced by capacity and issues of motivation and incentive. The role of the core RGC reforms then becomes central to locking Cambodia in to the virtuous circle that exists between ownership and capacity. Given the new possibilities for linkages through ASEAN etc., the link between ownership and capacity could also be widened to explore making more use of South-South partnerships and regional networks.

The key message for CSOs is to increase their involvement and participation in national networks through the NGO Forum, the CCC etc., and at the same time to increase their own internal capacity with the objective of monitoring the work of the government and development partners with respect to their efforts to implement PD principles in a mutually accountable manner. The message for other stakeholders, such as the private sector, etc., is that they need to become actively involved. The proposed evolution of the CDCF into a broader forum that embraces the private sector in a dialogue around national development would be a positive development. Looking beyond the PD, the role of the wider civil society should be reviewed in terms of its potential to contribute to national development. The sometimes formulaic approach of the PD risks excluding much of the richness and diversity of civil society which should be acknowledged.

Donor countries and agencies: These include the international financial institutions, bilateral and multilateral development partners and also emerging donors and global funds. As noted many times in this evaluation report, most development partners need to continue to improve their aid delivery and management in order to meet the good practice standards as set out in the OECD-DAC guidelines for harmonising donor practices and their PD commitments with particular attention to: undertaking joint analytic studies, pooling resources, using country systems, developing common results chains and performance measurement frameworks, standardizing reporting requirements, etc. Efforts should also be made to ensure the appropriate delegation of decision making authority to Country Office staff where the understanding of the local country context resides, so that they can engage and commit to partnership arrangements in a timely manner. Overall with respect to capacity building, it is important

that all development partners work more with national, sub-national and local country systems and resources so as to build their capacity since bypassing them will only diminish their effectiveness.

General Conclusion # 12 – Key messages for donor countries and agencies

The key message to Cambodia’s development partners is to place more emphasis on working together in the context of sector wide management approaches, multi-donor programme-based approaches with pooled funding mechanisms and to place more importance on shared accountability for the achievement of development results. For those development partners who have not already done so, they should devolve more decision-making power and control to Country Office staff; develop long-term relationships with country partners that are culturally sensitive; use strategies and measures to support and utilise country systems that will reduce risks to a manageable level; and, reflect on and implement the changes required in institutional policies and management practices needed to meet PD commitments. The key message to emerging donors and global funds is that they need to become more integrated into the aid architecture and take part in the aid coordination mechanisms, joint efforts to monitor and assess the implementation of the PD and the achievement of development results so that their efforts can be aligned with those of the national stakeholders and harmonised with other development partners.

Ahead of the High-level Forum on Aid Effectiveness scheduled for November 2011, development partners should evaluate their own organisational incentives and accountability mechanisms that continue to dominate their programming and aid delivery in partner countries. Tensions between policy and operations need to be resolved if commitments made at the HQ/Capital level are to be applied to the in country programmes. It will be important to retain and build on the aspects of PD that have worked well while being open to reviewing and reforming other aspects that have worked less well.

4.7 KEY IMPLICATIONS FOR AID EFFECTIVENESS IN THE FUTURE

What are the key implications for aid effectiveness in the future taking account of new challenges and opportunities (e.g., climate change) and new actors and relationships?

There are a wide range of challenges and opportunities confronting aid but perhaps the most important are the new actors. In addition to the traditional development partners, there are now several non-traditional donors or sources of sovereign investment, such as South Korea, the OPEC Fund and Arab States, global funds and the “emerging donors” like Brazil, Russia, India and China. What appears to characterise these “new actors” is the diversity of their interests and approaches in providing development assistance and investment. On the other hand, the OCED-DAC has placed considerable emphasis on the idea of a “concert of nations” with shared values which reflect together on global issues as well as individual country needs: comply with ODA terms, use untied aid, have concessional terms, and apply recognised good practice standards. There are also other formalised organisations such as the Multilateral Organisation Performance Assessment Network, a network of 16 “like-minded donor countries” with a common set of values and interests intended to improve the effectiveness of major multilateral organisations. New actors working outside of international forums for development may not be as predictable or accountable in the same way as traditional development partners. Thus, it is unclear what impact they will have, not only on PD implementation, but also on global priorities, i.e., climate change and achieving MDG targets, etc. As aid becomes more of an extension of foreign policy, it may

be that diverse approaches and modalities begin to proliferate. The challenge for the aid community will be to determine some common values and standards while accommodating this diversity. For partner countries, they will need to balance the opportunity for more diverse resource mobilisation potential with the need to manage all sources of external financing in a coherent framework. For both providers and recipients of these funds, the common challenge will be to direct these resources to programmes that are more results-focused, aligned with national priorities and systems, and consistent with the requirement to develop capacities within government as well as within society more broadly.

China and South Korea have recently begun to invest heavily in many countries and have become very important development partners in Cambodia, but their response in practice to the OECD-DAC policies is as yet unclear. For example the OECD-DAC has been advocating for a reduction of tied aid among its member countries since January 2002. This is very important since it helps to foster ownership as well as overall aid effectiveness. Looking specifically at South Korea, a special review on South Korea's development cooperation states that, "Although Korea's portion of untied aid is increasing, it's still much lower than that of most DAC countries".⁶⁷ In comparison, for example, in 2007 South Korea's untied aid rose to 24.7 % while Japan (another important development partner in Cambodia) was at 94.1%. This is important especially when one considers that Cambodia is 2nd on the list of South Korea's top 10 partner countries in ODA disbursements. South Korea's aid delivery can be expected to become more DAC-compliant in future years following their recent membership in the DAC, but for both South Korea and China it is likely that their support will continue to be provided through channels that are additional to the current TWG-GDCC-CDCF mechanisms. This provides an opportunity as well as a challenge for RGC as it must use these relationships to develop South-South learning opportunities while ensuring that the national budget provides a framework for integrating and coordinating these resources with those provided by other partners.

Effective coordination depends to a large extent on information sharing. China and South Korea currently provide full information on their activities to the Cambodia ODA Database and engage in dialogue with RGC officials. They do not, however, engage in dialogue with other development partners, which can make DP harmonisation and coordination more challenging. Nor did they respond to requests for information or survey returns for this evaluation, which has made it impossible to report their own views in this Report or to provide any more insightful commentary on their support or motivations in Cambodia. From what could be obtained from interviewing other development partners and stakeholders however, the perception is that they tend to stress south/south cooperation, local stability and strategic interests as the primary rationale for their development investments and again, their development assistance is seldom considered "untied". Although they are listed among the countries adhering to the PD/AAA, the overall concern is that China and South Korea may have objectives that are more strategic, diplomatic and commercial, not confined to development or consistent with the PD, which could be challenging in terms of harmonization in the future.

But there is also the perspective that investments made by them will help Cambodia to develop more ownership because it provides the country with more options. In other words, it helps to balance the asymmetric power relationships between the Cambodian recipient organisations and their traditional development partners. This may contribute to meeting the PD objectives in the long run because it will help foster one of the most important of its principles - country ownership - and perhaps also contribute to capacity building and address some of the systemic issues noted in this evaluation with respect to the overall "culture of aid". (Findings 9, 17)

More broadly, the future for aid effectiveness work is likely to be determined in the first instance by the changing priorities of those DPs which have been closely associated with the PD. The global recession, geo-political considerations and new challenges such as climate change will all affect aid delivery by

these DPs. Other non-aid factors have been discussed under General Conclusion Number Ten. The most significant influence on the future of aid effectiveness in Cambodia, however, must come from RGC itself. It led the agenda before 2005 when the PD was signed, and its policies have evolved significantly in the time since then as it has learned and adapted to the new context. Based on this experience, it seems likely that the future direction will therefore continue to be influenced by the PD and generally-accepted aid effectiveness principles but these will continue to be applied based on the realities and needs of Cambodia, retaining and promoting good practices where they make sense.

General Conclusion # 13 – New challenges, opportunities, actors and relationships

There is a very positive side to Cambodia’s engagement with non-traditional and “emerging donors” as follows: a) it provides them with additional financing for development projects which traditional development partners have moved away from over the years, e.g., infrastructure; b) there is an increased possibility of more aid partnership agreements with CSOs and private sector companies, thereby extending the benefits of aid to them and expanding the possible avenues for wider stakeholder input; and c) there is increased access to large global funds for public interest issues, i.e., HIV AIDS, eradication of malaria etc. To date, the contributions of these new actors appear to be implemented in parallel to the PD. It is still unclear as to what impact they will have on the development context or on specific development priorities, such as, environmental degradation, the water level of the Mekong River, migration, drug and human trafficking, HIV/AIDS and achieving MDG targets, etc. All of these development priorities require cooperative efforts among Cambodia’s development partners to ensure that they are addressed positively and in concert taking into account the various stakeholder interests. Integrated approaches consistent with the PD principles that address these new challenges and opportunities, while recognising the non-aid factors that also determine policy, would seem to hold the best likelihood of success.

5.0 KEY LESSONS LEARNED

5.1 BETTER LEARNING BY BUILDING ON PAST EXPERIENCE

An emphasis on experiential learning has been characteristic of the path taken in Cambodia to PD implementation. During a recent international event, the Secretary-General of CRDB/CDC, addressed the significance of learning from experience as follows:

“We must first become better at learning from our past experience and using the evidence available to us. We have accumulated a significant body of evidence, both globally and at country level. We need to use this evidence to our advantage, we need to be better at learning from our experience, and we must be more creative and innovative in formulating responses.”⁶⁸

Indeed, the CRDB/CDC leadership has emphasized the importance of learning from the local context, reviewing results to analyze what to continue doing, and what to modify. There is wisdom in looking to the local context, since knowledge of country-specific dynamics is critical to understanding how best to concretize the PD principles in Cambodia. This fact can be lost if too much bureaucracy is put in place to implement the PD or other similar initiatives. Learning is more than gaining knowledge. There are expectations that the learner will change her/his attitudes or behaviours and thus do some things differently. This process helps to build capacity. The lessons learned in the Cambodian context have demonstrated that paying attention to learning has allowed for, where necessary, innovative responses to challenges. Two examples demonstrate learning through experience.

The first is the attention placed on the Joint Monitoring Indicators (JMIs). These indicators were first introduced in 2004 as a mechanism to demonstrate ownership and illustrate expected progress towards objectives in the Cambodia Harmonisation-Alignment-Results (HAR) Action Plan. Over the past 6 years, the JMIs have been refined and improved by the TWGs which have been working with them.

The second example is the initiative to Make Partnerships Effective which is intended “to make a significant contribution to strengthening partnerships so that the Government can work effectively with development partners to achieve the results anticipated in the NSDP and the CMDG.”⁶⁹ A four-stage process was designed. The first stage focused on assessment while the second stage featured a “strategic meeting” that brought together key senior government and development partner representatives on Technical Working Groups (TWG) to focus on issues related to leadership, relationships, strategy and systems. Through this process, the TWG members have increased their knowledge about partnerships and are able to stimulate discussions, involve wider groups of government officials, development partners, and NGOs and the private sector to build a stronger partnering culture. Currently, the process is entering the third stage. Towards the end of the second quarter of 2010, case studies will be developed on what it takes to make partnerships more effective.

5.2 LEADERSHIP AND OWNERSHIP

A study undertaken in Cambodia described the importance of understanding the context of ownership and conditions that influence “real” ownership. Although the study preceded the PD, one of its main messages remains very relevant. It concludes that: *“Ownership is a subtle concept because it is in the minds of people. Government ownership is not something to be awaited; however, it sometimes needs to be nurtured. Time, which allows for reflection and internalisation of new ideas, is a critical factor in ownership and for meaningful participation as well. Timetables need to respond more to Cambodian needs, and the process needs to take precedence over getting things done.”*⁷⁰

The lines of evidence for this evaluation consistently pointed to the importance of local leadership creating expanded involvement and providing direction. Facilitative leadership, where it existed, led to deepening responsibility and demonstrated ownership. This type of leadership is not about controlling others but rather about creating conditions which enable others to lead and work together effectively. Ownership is not about just having power. Ownership is about influencing the conditions for accountability and influencing change to achieve mutually agreed upon objectives. Ownership, in this sense, is interconnected with the other four Paris Declaration principles and requires adequate levels of capacity to be realized. Part of leadership is to take responsibility and actively mobilize resources to build capacity so that you can actually assume ownership.

These conditions for ownership and leadership are important to both government and civil society organisations (CSOs). CSOs have been strengthening their capacity to carry out self-declared roles and responsibilities. CSOs have stressed that they should have a voice in determining country wide developmental goals and emphasize the need for their engagement with the government as well as with development partners. In Cambodia, there is evidence of increased CSO involvement which should develop into shared ownership.

In summary, integrated systems, which include all stakeholders, are being put in place led by the government. But time and reflection on the process by all stakeholders is necessary to ensure that the evolving aid architecture will work for Cambodia as a whole. All stakeholders need to appreciate that country ownership will take time through implementation of this approach.

5.3 RE-VISITING THE CONCEPT OF CAPACITY DEVELOPMENT

The Paris Declaration and Accra Agenda for Action (PD/AAA) encourage re-visiting the concept of capacity development. Parallel to global efforts over the past six years to introduce and implement the PD/AAA, have been efforts to clarify concepts and take stock of approaches to capacity development. In particular, this has attracted the attention of the OECD/DAC, the European Centre for Development Policy Management (ECDPM), UNDP, the World Bank Institute and many academics over the years. Their collective efforts have contributed to a diversity of approaches to thinking about capacity development.

This evaluation has provided an opportunity to reflect on how capacity development is central to the implementation of the PD principles. Some believe, for example, that the goal of capacity building is mainly to improve individual performance while others would argue that capacity development must support organizational and systemic development. In the latter approach, attention has to go beyond individual performance and training to address the enabling environment, including system-wide changes. This is not a new concept which King first articulated almost 20 years ago, “[T]he new capacity development challenge for donors is to combine capacity building with capacity utilisation. Which means addressing the environment for sustainability from the start of the donor activity”.⁷¹ There are an increasing number of government and development partners who recognize the need to focus on capacity development in a holistic manner that addresses the constraints in the enabling environment which inhibit individuals and organisations from performing to their potential. In Cambodia, the expectation was that the Council of Administrative Reform would lead the way on capacity development. To date they have focussed on human resource development and human resource management at both the individual and organizational levels.

The Cambodia Aid Effectiveness Reports have called attention to the synergy between capacity development and leadership. The observation has been that sometimes capacity influences leadership whereas in other situations leadership influences capacity. Multilateral organisations (i.e. UNDP⁷², World Bank⁷³), several bilateral agencies and external development partners and other bodies like OECD/DAC⁷⁴ and European Centre for Development Policy Management⁷⁵ advocate holistic approaches to capacity development and especially approaches that encourage learning by doing, which has been the approach in Cambodia.

There are emerging patterns on how capacity development influences achievement of PD objectives. Without sufficient local and national capacity, PD objectives cannot be met and there will ultimately be a negative impact on ownership. In fact, what is needed for the PD objectives to be met in Cambodia is a system-wide approach to capacity development that includes: public sector reforms of the civil service, financial management and procurement systems, etc., as well as improving the leadership and management skills of individuals. Similarly, government at the sub-national and commune levels as well as CSOs need to be part of this integrated and holistic capacity development system. The Cambodia Aid Effectiveness Report sets out just such a policy direction by employing a multi-stakeholder approach geared to the implementation of the RGC core reforms but implementation will be a more difficult proposition given the deep-seated use of project modalities and bilateral approaches discussed in this evaluation report.

6. RECOMMENDATIONS

The recommendations in this section relate to the common and country-specific questions. The first set of recommendations are addressed to the Paris Declaration Secretariat; the second set address the collective responsibilities of government, development and CSO partners, and; the third set are specific recommendations directed to each of the three key stakeholder groups. They have a twofold purpose:

- First, to underline what should continue to be done and what should be built upon; and
- Second, to describe what each stakeholder group needs to clarify, improve and strengthen so that the Paris Declaration principles can continue to provide an ongoing framework to achieve improved aid effectiveness up to and beyond the end of 2010.

It is noteworthy that these recommendations relate strongly to the issue of capacity and its association with the implementation of the PD and the delivery of results.

6.1 RECOMMENDATIONS TO THE PARIS DECLARATION SECRETARIAT

Recommendation 1:

That the principle of ownership be strengthened and broadened as the enabling condition and driver for the implementation of the remaining principles and commitments, given its dependency on existing capacity to exercise it and the willingness of donors to support capacity development efforts.

The ability of partner countries to assume a leadership role and take ownership of the development process is largely dependent on their capacity to do so. When faced with important capacity constraints identified through various diagnostic reviews, whether at the national, sub-national or local level, their only recourse is to turn to donors for capacity development support. While the PD includes a commitment on the part of donors to “help strengthen their capacity to exercise” ownership, the response is not always immediate and unconditional. Partner countries, their institutions and civil society organisations often find themselves thrust back into the asymmetrical power relationship, one from which it is difficult to exercise ownership. The principle of ownership as a driver for improved aid effectiveness could be strengthened if capacity development to strengthen partner country ownership was more specifically identified as a joint commitment and jointly assessed on a regular basis. As capacity development becomes the principal premise for providing ODA vis-à-vis other domestic and external resources, the dynamic between capacity and ownership will become critical for delivering results and determining the effectiveness of ODA.

Recommendation 2:

That gender equality principles and mainstreaming be fully integrated into future iterations of the Paris Declaration since it is widely recognised to have beneficial effects on aid effectiveness and the achievement of development results.

The PD makes only one fleeting reference to gender equality which is, in and of itself, a gender-blind omission. Gender equality has been increasingly recognised since then as a fundamental cornerstone for improved aid effectiveness and achieving development results. It is relevant to all of the PD principles and could bring a qualitative dimension to what is otherwise a technical and quantitative approach. Qualitative assessments on gender issues across the PD commitments, indicators and targets would institutionalise gender mainstreaming and make an important contribution to improving aid effectiveness. The approach taken by the RGC to integrate gender mainstreaming using three gender

focussed indicators and the establishment of a Technical Working Group on Gender led by the Ministry of Women's Affairs should be considered as a best practice for replication in other countries.

6.2 RECOMMENDATIONS FOR ALL PARTNERS

Recommendation 3:

That all the partners in Cambodia sustain their efforts to improve aid effectiveness by strengthening partnerships at all levels and increasingly focussing on the investment level by optimising the value of the aid coordination mechanisms, i.e., Technical Working Groups as a forum for ensuring adherence with the PD principles and commitments, including to move towards the target of directing 66% to PBAs and using the JMIs as a tool for managing for results and promoting mutual accountability.

The Royal Government of Cambodia led by the CRDB/CDC has accumulated a significant body of evidence about what influences aid effectiveness. Government, development and civil society organisation partners have demonstrated willingness to work together. PD implementation initiatives have been introduced, managed, and in some cases, adapted to better manage aid effectiveness. The effect of these initiatives is reflected in a solid aid architecture inclusive of strengthened aid coordination mechanisms and the introduction of more efficient sector wide management approaches.⁷⁶ These initiatives should be continued, strengthened and extended to other sectors right down to the investment level. The evaluation has concluded that the PD has had a positive effect on the achievement of development results when all its principles are applied at the investment level. The onus is now on the government, development partners and civil society organisations to use the aid coordination mechanisms, i.e., Technical Working Groups to hold each other mutually accountable to ensure that investments in development are designed and implemented in a manner that is increasingly consistent with all the PD principles and commitments, particularly those related to managing for results and mutual accountability (i.e. including performance monitoring and reporting etc.). If the investment level of aid delivery is to be made more results-focused, and indeed compliant with other aspects of the PD, RGC staff skills in processes such as project appraisal and project measurement needs to be strengthened. It is notable that at present country programmes are negotiated but project development is almost entirely the domain of development partners.

6.3 RECOMMENDATIONS FOR THE ROYAL GOVERNMENT OF CAMBODIA

Recommendation 4:

That the National Capacity Development Strategy advocate the increased use of coordinated multi-donor and/or pooled funding for free-standing technical cooperation at the national and sub-national or sector levels to strengthen the public management systems of the central government, line Ministries and their institutions.

The evaluation has demonstrated that the ability to assume leadership and ownership of the development process, whether at the national, sub-national or local level, is largely dependent on the existing institutional and human capacity. There are a large number of free-standing technical cooperation investments in both the health and rural development sectors which undoubtedly address capacity development needs, but strengthening capacity through co-ordinated support has not improved significantly over the years. The question arises as to whether it is sufficiently focused to advance the aid effectiveness agenda, uses an appropriate mix of local and external expertise, and whether it is an efficient use of aid resources in light of the administrative burden it incurs on the

recipient organisations. Development partners still await the National Capacity Development Strategy being prepared by the Council for Administrative Reform which will integrate the 2008 Guidelines on the Provision and Management of Technical Cooperation that hopefully will clarify how and for what purposes technical cooperation should be used to support capacity development.

In the meantime public administration and public financial management reforms have shown only incremental progress. Both reforms affect sector-wide management and performance, and at the same time influence progress on specific PD principles, e.g. alignment – use of country systems and harmonisation – use of programme-based approaches. Country systems at the national, sub-national and local levels are still insufficiently reliable to inspire confidence among most risk adverse development partners. Aid fragmentation will likely continue until such time as these country systems approach or meet international standards.

It is the view of this evaluation that the best opportunity to advance the aid effectiveness agenda is to orient free-standing technical cooperation toward the strengthening of those country systems at the national and sub-national or sector level that are critical to facilitating alignment and harmonisation. The approach should focus on systems-wide development and the strengthening of human resources to operate and maintain those systems. The Project to Support Decentralisation & Deconcentration Reform provides a good example of how this could be accomplished. Consideration should be given to advocating for the increased use of multi-donor pooled funding for free-standing technical cooperation for other sectors. The beneficial consequences of this strategy would be improved alignment and harmonisation, a reduction in aid fragmentation and, most importantly, enhanced country ownership.

In the interim, there is much that can be done. This includes the opportunity to apply AAA commitments and to reflect on the recent Country Systems study, and build on TWG work to conduct joint capacity needs assessments. This will allow capacity strategies to be developed for the sectors, particularly where sector strategies already exist, and where there are on-going efforts to promote more harmonised approaches to sector support.

6.4 RECOMMENDATIONS FOR DEVELOPMENT PARTNERS

Recommendation 5:

That development partners support the Royal Government of Cambodia with free-standing technical cooperation basket funding at the national and sub-national or sector level to support capacity development of country systems.

The evaluation has found that most development partners are reluctant to assume the increased fiduciary risk of using country systems at the national, sub-national or sector levels that do not meet international standards. This has been a barrier to meeting their alignment commitment to use country systems and procedures to the maximum extent possible and where necessary establish additional safeguards and measures that strengthen rather than undermine these systems. While there are examples of multi-donor pooled funding investments that are sector-wide in scope which use and strengthen country systems, these are few in proportion to the overall number of investments made by development partners in Cambodia. The current aid architecture will place an increasingly heavy administrative burden on development partners if they continue to invest in numerous sectors while remaining active contributors to the respective sector and thematic Technical Working Groups designed to promote aid coordination and harmonisation.

Since free-standing technical cooperation projects represent a significant proportion of all development investments, it is the view of this evaluation that the best opportunity to advance the aid effectiveness

agenda is to pool these aid resources in the future and direct them where they are most needed, i.e., strengthening country systems at the national and sub-national or sector level. As illustrated by our sample of development investments, the use of a basket fund administrator could be one of the safeguards that could be employed until such time as the country systems approach or, if necessary, meet international standards. Development partners should in the meantime also re-examine their fiduciary risk tolerance levels in order to be in a position to make more significant investments in general or sector budget support and/or true programme-based approaches when the conditions permit. The beneficial consequences of this strategy would be improved alignment and harmonisation, a reduction in aid fragmentation and, most importantly, enhanced country ownership.

6.5 RECOMMENDATIONS FOR CIVIL SOCIETY ORGANISATIONS

Recommendation 6:

That civil society organisations continue to develop their capacity as implementing organisations, advocate for and take greater advantage of the opportunities to participate in aid coordination mechanisms, monitor their commitments, and improve the availability of information on CSO development activities and results.

There is a low level of understanding in Cambodia of what civil society is and its role. It is recognised that the institutional capacity of the NGO sector, as a component of civil society, is underdeveloped which puts constraints on its performance, relationships with the communities they serve, and also negatively affects their relationships with government and development partners. The initiative for Enhancing Awareness on Governance and Effective Regulations for Civil Society (EAGER) that began in April 2010 is an essential intervention for improving the context and environment within which NGOs conduct their activities and should aid learning and contribute to more effective performance in meeting the needs of the communities they serve and fulfilling their role as implementing organisations.⁷⁷ This will allow NGOs to develop their own understanding and application of aid effectiveness concepts, and then to situate themselves in the broader work related to promoting good governance and the role of civil society in national development.

Umbrella organizations such as the Cooperative Committee for Cambodia, MEDiCAM, the NGO Forum and the NGO Education Partners represent a wide range of independent NGOs which have to date engaged government and development partners quite effectively. They have engaged in a series of high level dialogues initiated within the NGO community and with development partners to broaden understanding and commitment to the development process. While the proceedings have identified ways to improve engagement, there is still need for civil society organisations to be more attuned to the aid effectiveness agenda, more actively involved in Technical Working Groups and more proactive in contributing to and using the Cambodia ODA Database. It is the view of this evaluation that the umbrella organisations and their constituent members follow through on the conclusions of the high level dialogue initiated in November 2009 and monitor commitments made in March 2010 including re-definition of the CSO role in multi-stakeholder consultations on aid management and also continue to use the GDCC and CDCF to constructively and positively engage.⁷⁸ Also, further attention should be given to the proposal to seek assistance to update the Cambodian Declaration for Aid Effectiveness which includes civil society organizations as signatories.

APPENDIX A: ENDNOTES AND REFERENCE DOCUMENTS

ENDNOTES

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- ⁵ Craig R et al. *National Structures and Systems for Aid Implementation in Cambodia*. Draft Review produced for Swedish SIDA, Phnom Penh, May 27, 2010.
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- ⁷ Royal Government of Cambodia. *Cambodia Aid Effectiveness Report, 2008*. Percentages based on estimated commitments for 2009, Table 3, Page 10.
- ⁸ Source: Cambodia ODA Data Base, February 2010
- ⁹ NGO Forum on Cambodia (publisher) *NGO Position Papers on Cambodia's Development in 2009-2010 to the 3rd Cambodia Development Cooperation Forum*, May 2010.
- ¹⁰ Wood, Bernard , Chan Sophal, Joel Mangahas, and Pham Thi Thanh An. *Cambodia Evaluation of Aid Effectiveness*, Ottawa, November 2008, p. 7.
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- ¹² Craig R et al. *National Structures and Systems for Aid Implementation in Cambodia*. Draft Review produced for Swedish SIDA, Phnom Penh, May 27, 2010, page 29.
- ¹³ *Accra Agenda for Action*. Accra, Ghana July, 2008.
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- ¹⁵ CCC, MEDiCAM and NGO Forum are umbrella organizations that aim to better enable networking and representation.
- ¹⁶ In preparation for the Cambodia Development Cooperation Forum (June 2010) the NGO community produced (May 2010) a collection of position papers related to the monitoring of the NSDP and 2008 CDCF Joint Monitoring Indicators.

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- ¹⁷ VBNK. *The Partnering Initiative and VBNK*. Report on Stage 2 of the Project, Recommendations for Stages 3 and 4 and Products from Stage 2, 30 September 2009.
- ¹⁸ Royal Government of Cambodia, Ministry of Planning. *National Strategic Development Plan 2006-2010*.
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- ²⁰ El Chanboreth and Sok Hach. *Aid Effectiveness in Cambodia*. Wolfensohn Center for Development at Brookings, December 2008, p. 14.
- ²¹ Craig R et al. *National Structures and Systems for Aid Implementation in Cambodia*. Draft Review produced for Swedish SIDA, Phnom Penh, May 27, 2010.
- ²² Land, Anthony. *Developing Health Sector Capacity in Cambodia: The Contribution of Technical Cooperation - Patterns, Challenges and Lessons*, May 2008.
- ²³ Stage 2 also has the objective to establish an Integrated Financial Management Information System [IFMIS] which will cover all transactions and connect all line Ministries [and development partners if they choose] into one expenditure management system. This system is currently being developed so it is not possible to comment on its effectiveness as yet.
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- ²⁵ Craig R et al. Bibliography of relevant studies, reports and project/program documents. Prepared as part of the recent study on “*National structures and systems for aid implementation in Cambodia*” (May 2010).
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- ³¹ El Chanboreth and Sok Hach. *Aid Effectiveness in Cambodia*. Wolfensohn Center for Development at Brookings, December 2008, p. 24.
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- ³⁴ Royal Government of Cambodia. *Cambodia Aid Effectiveness Report 2010*. Table 4, p.11.
- ³⁵ These statistical tables were provided in Microsoft Excel spreadsheet formats.
- ³⁶ RGC (CRDB/CDC) *Mutual Accountability: The Key Driver for Better results*. A background paper for the Third International Roundtable on Managing for Development Results, Hanoi Vietnam, 5-8 Feb. 2007.
- ³⁷ One noted exception is the Food Security and Nutrition TWG where aid coordination is a key part of initiating the Social Protection Strategy.
- ³⁸ Grootaert, Christiaan and Thierry Van Bastelaer. *The Role of Social Capital: An Empirical Assessment*. Cambridge, UK: Cambridge University Press, 2002.
- ³⁹ Jenny Ngaichan and Iao Jorgensen. *Revisiting Social Capital in Development: A Case Study in Rural Cambodia*. University of Lund, Sweden, 2009, p. 1.
- ⁴⁰ It should be noted that many developed countries have not achieved full government systems integration. The Government of Canada is just now completing the final phases of its [Expenditure Management Information System](#) (EMIS). Once completed, the EMIS will have four components: priorities, budgets, actual disbursements and results achieved as reported by government departments. It will have the functionality to manage priorities and monitor results; link priorities and results information to planned budgets; and monitor expenditures against supply and budget information. Accomplishing systems integration is a challenge for any country.
- ⁴¹ Land, Anthony. *Developing Health Sector Capacity in Cambodia: The Contribution of Technical Cooperation - Patterns, Challenges and Lessons*, May 2008.
- ⁴² Global Donor Platform for Rural Development. *CSOs and Aid Effectiveness in Agriculture and Rural Development Report: Synthesis Report of a 13 Country Consultation*. 2009.
- ⁴³ Cambodia Aid Effectiveness Report (May 2010).
- ⁴⁴ 2008 Survey on Monitoring the Paris Declaration: Making Aid More Effective by 2010. Reference to Table A.9 Indicator #9; more recent data was not available to the evaluation.
- ⁴⁵ OECD-DAC. *Paris Declaration on Aid Effectiveness*. High Level Forum, March 2005, Note on indicator 9, page 11.
- ⁴⁶ Royal Government of Cambodia (CRDB/CDC) PBA Concept Note (August 2010)
- ⁴⁷ Based on Cambodia ODA Database data provided, February 2010.
- ⁴⁸ Royal Government of Cambodia. *Ministry of Health, Health Sector Strategic Plan 2003-2007*, page 38.
- ⁴⁹ The 2008 AOP budget was US\$157,226,780 of which US\$101,000,000 is from the national budget, and US\$56,226,780 from donors. On top of this, the MOH expects contributions from the community through User Fees in the amount of US\$7,383,630. Reference: *Ministry of Health Technical Working Group for Health Progress Report in the Health Sector*, 12th GDCC Meeting, March 04, 2008.
- ⁵⁰ Royal Government of Cambodia. *Strategic Framework for Health Financing 2008-2015*. Bureau of Health Economics and Financing, Department of Planning & Health Information, April 2008, page 10.
- ⁵¹ Royal Government of Cambodia. *Cambodia ODA Database User Manual*. November 2007, page 22
- ⁵² To avoid double counting the Investment Project/Programmes (IPA) and other investment types which included either an FTC or ITC component were not included.

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- ⁵³ Ibid
- ⁵⁴ HSSP2, launched in 2008, includes an additional four partners: the United Nations Children Fund (UNICEF), Belgian Technical Cooperation (BTC), Agence française de développement (AFD), and the Australian Agency for International Development (AusAID).
- ⁵⁵ It has the 6th largest budget allocation among the population of 40 development investments; the largest being the Global Fund *Continuum of Care for HIV Project* at \$36.5M US.
- ⁵⁶ UNDP Project Fact Sheet 01/2008 (projects 00011827, 00054656 and 00054664) indicates that the total budget is US \$34.8M with financial contributions from Sweden (US \$12.6M), DfID (\$15.6M) and the UNDP (US \$3.6M).
- ⁵⁷ This system has been evolving since the start (2002) of decentralization and mandating sub-national responsibilities to Commune/Sangkat Councils.
- ⁵⁸ DAC Network on Gender Equality (GENDERNET). *Draft Indicators for Aid Effectiveness and Gender Equality*, April 2010.
- ⁵⁹ UNDP. *Cambodia's Millennium Development Goals (CMDG) Preliminary Summary of Progress 2009*. Working Paper, January 10, 2010, p. 4.
- ⁶⁰ Royal Government of Cambodia. *National Strategic Development Plan (NSDP) Update 2009-2013*. November 2009, p. 68
- ⁶¹ Ibid, p. 31
- ⁶² *Cambodia Development Resource Institute. Impact of High Food Prices in Cambodia – Survey Report*. November 2008.
- ⁶³ UN Cambodia. *Common Country Assessment 2009*. July 2009.
- ⁶⁴ Ibid
- ⁶⁵ Royal Government of Cambodia. *Synthesis Report on Aid Effectiveness*. CRDB/CDC, September 2009.
- ⁶⁶ The *Synthesis Report on Aid Effectiveness Priorities* presented to the GDCC in September, 2009 and the AER 2008 report both note the increased importance of involving a broader range of stakeholders in order to build mutual accountability.
- ⁶⁷ Chun, Hong-Min, Elijah N. Munyi and Heejin Lee. *Dilemmas facing an emerging donor: Challenges and Changes in South Korea's ODA*. Korea Institute for Development Studies, 2010, p.9.
- ⁶⁸ *Exploring Alternative Approaches and Instruments for Coordinating Aid in a Fragmented Environment*. A speech by Chhieng Yanara, Secretary General, CRDB/CDC at the International Policy Workshop on Aid Effectiveness, Berlin, June 2009.
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- ⁷² UNDP. *Capacity Development: A UNDP Primer*. 2009.

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- ⁷³ The World Bank. *The Capacity Development Results Framework: A strategic and results-oriented approach to learning for capacity development*. 2009.
- ⁷⁴ OECD/DAC. *The Challenge of Capacity Development: Working Towards Good Practice*. 2006.
- ⁷⁵ Morgan, P., Land, T., Baser, H., Study on Capacity, change and performance, *ECDPM Discussion Paper 59A*, Maastricht: ECDPM, 2005
- ⁷⁶ The Cambodia Aid Effectiveness Report (May 2010) indicates that twelve of the nineteen TWGs included an ambition to establish or strengthen a programme-based approach or sector strategy. These included Forestry, Gender, Rural Water Supply, Sanitation and Hygiene, Agriculture and Water, Food Security and Nutrition, and Mine Action. Education and Health TWGs made progress in translating medium-term development strategies into integrated Annual Operational Plans in line with on-going public financial management reforms.
- ⁷⁷ The Cooperation Committee for Cambodia (CCC) has commissioned a new research study: *An Assessment of the NGO Sector*. The research started from April and the report will be produced at the end of July 2010.
- ⁷⁸ The CSO umbrella organisations organised on 25 May 2010 the *National Dialogue on Cambodia's Development in 2009-2010*. At the Dialogue, NGO representatives were invited to present their points of views on development progresses, challenges, and recommendations to the Royal Government and its Development Partners. These points of views are reflected in the NGO Position Papers and the NGO Statement on the priority and cross cutting issues to the Cambodia Development Cooperation Forum (scheduled on 2-3 June 2010).

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