

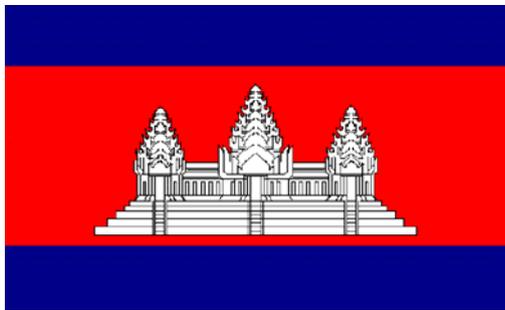


**Kingdom of Cambodia**

Nation – Religion – King

នរោត្តមរាជវាំង

**Royal Government of Cambodia**



# **THE CAMBODIA AID EFFECTIVENESS REPORT 2010**

Prepared by  
the Cambodian Rehabilitation and Development Board  
of the Council for the Development of Cambodia  
for the  
**Third Cambodia Development Cooperation Forum (CDCF)**  
2-3 June 2010

**May 2010**





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### ***Acknowledgement***

*A major source of information used in preparing this Aid Effectiveness Report is the reports prepared by Technical Working Groups (TWGs) for the Government-Development Partner Coordination Committee. The efforts of all TWG Chairs, focal points and lead development partner facilitators is therefore acknowledged with gratitude and it is hoped that this Report will be of use to them in their future work.*

*It is also necessary to acknowledge the significant time and effort that has been contributed by development partner focal points who have entered information about their programmes into the Cambodia ODA Database. Without their patience and cooperation much of the quantitative analysis used in this Report could not have been produced.*

*The findings in this Aid Effectiveness Report are based on multiple sources and evidence that has been collected and analysed by CRDB, including TWG reports, the Paris Declaration Evaluation and data from the Cambodia ODA Database (extracted 24 March 2010).*

*In all cases CRDB has attempted to validate the data and evidence to confirm the factual basis for the analysis that has been presented.*



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## Foreword

The 2010 Aid Effectiveness Report (AER) is the third such report prepared by the Cambodian Rehabilitation and Development Board (CRDB) of the Council for the Development of Cambodia (CDC), providing an important input to the Third Meeting of the Cambodia Development Cooperation Forum (CDCF). It builds on the evidence-based analysis and recommendations of the 2007 and 2008 Reports to take stock of progress, analyse trends in development cooperation and guide our efforts to strengthen partnerships. In this way, the 2010 Aid Effectiveness Report provides further insights into how development cooperation can most effectively support the implementation of the Rectangular Strategy for Growth, Employment, Equity and Efficiency – Phase II, which was launched by Samdech Akka Moha Sena Padei Techo **Hun Sen**, Prime Minister of the Kingdom of Cambodia in 2008.

The last two years have been challenging for Cambodia and for the development community. Against the backdrop of the economic downturn, the September 2008 High-level Forum on Aid Effectiveness concluded that greater efforts need to be made to secure the anticipated development results associated with the Paris Declaration. In a resource constrained environment efforts to make aid effective take on added importance as we begin to approach the 2015 Millennium Development Goal deadline. This provides the context for the 2010 Aid Effectiveness Report, which documents the efforts of the Royal Government, development partners and civil society to respond to these challenges.

This Aid Effectiveness Report shows that Cambodia has been shielded from pressures on global aid allocations. Development assistance in 2009 increased to USD 989.5 million, from USD 955.6 million in 2008, and projections for 2010 are of the order of USD 1 billion. Our partnership efforts have therefore been able to focus on securing outcome-level results and ensuring that external resources make a demonstrable contribution to these results whether defined as improvements in service delivery or in terms of capacity development associated with the reforms of the Royal Government. This Report uses a range of empirical evidence to highlight the important contribution of development assistance to the objectives of the Rectangular Strategy but demonstrates the need for the Royal Government, development partners and civil society to continue to apply and adapt aid effectiveness principles to ensure that effectiveness and efficiency objectives are realised.

The 2010 Aid Effectiveness Report serves an equally important role in promoting transparency in the use and impact of development assistance. The Royal Government has demonstrated its commitment to placing information of development cooperation projects into the public domain through the on-line Cambodia ODA Database. This Report usefully consolidates and advances this commitment to transparency by combining quantitative data with a range of other national and global sources to offer a perspective on how development cooperation has contributed to the national development effort. It is my hope and expectation that this will promote discussion, widen and deepen partnerships and provide further motivation to ensure that our collective efforts remain firmly focused on achieving sustainable development results in a timely and accountable fashion.

I would like to take this opportunity to acknowledge the work of **H.E. Chhieng Yanara**, the CRDB/CDC Secretary General and Secretary General of the CDCF, and his staff at CRDB/CDC who have prepared this Aid Effectiveness Report. By acknowledging the Report's contribution to providing evidence-based analysis and recommendations, I trust that it will make an important contribution to the Third CDCF meeting and the dialogue that will follow.

Phnom Penh, 1 May 2010

Deputy Prime Minister **KEAT CHHON**, M.P.  
Minister of Economy and Finance  
First Vice-Chairman, Council for the Development of Cambodia  
Chairman of the Third CDCF



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# Executive Summary

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## **Introduction**

This Aid Effectiveness Report reflects on achievements recorded and challenges encountered during the implementation of the Royal Government's Harmonisation, Alignment & Results Action Plan 2006-2010. The objectives of the Report are therefore to: (i) review lessons of implementation, principally for 2009-2010; and (ii) to chart the future direction of aid management policy. Evidence used in this Report draws on a range of national and global sources, including from the Cambodia ODA Database, reports provided by the Technical Working Groups and the Evaluation of the Paris Declaration (country case study).

The Paris Declaration identified eleven 'problems' with current aid arrangements, including the need to strengthen national development strategies and budgets, improve alignment with national priorities and systems, enhance accountability for performance, reform and simplify donor procedures, and to strengthen institutional capacities. Promoting aid effectiveness to achieve development results requires that each of these challenges be addressed. In turn, the link between aid effectiveness and development results is seen to depend on ownership and leadership, provision of an appropriate incentive structure for Government and development partners, a focus on capacity development and service delivery, and the creation of systems that support improved monitoring and accountability.

## **The development partnership in 2009/10**

Evolution in the implementation of the aid effectiveness agenda has led to a focus on identifying fewer, more relevant actions. A priority has been to engage with leadership to build consensus and integrate aid effectiveness work into sector programmes and reforms. Based on a decision to identify and agree a set of aid effectiveness activities linked to the Joint Monitoring Indicators, TWGs identified actions that can be categorised into three broad areas: (i) strengthening programme-based approaches and sector strategies; (ii) capacity development and use of national systems; and (iii) promoting sound partnership practices.

Recognising the complexity of multi-stakeholder partnerships, CRDB/CDC established the 'Making Partnerships Effective in Cambodia' initiative to facilitate partnership-building. A Strategic Meeting was held in September 2009, providing participants with a useful opportunity to establish an understanding of how partnerships can manage diversity and create value. The TWG Network has also continued to meet, recognising and promoting the value of peer-to-peer communication that complements formal structures. Activity also took account of the commitments included in the Accra Agenda for Action, focusing in particular on strengthening links with civil society. Additional initiatives include on-going work to promote the use of country systems, and a March 2010 study by the Inter-Parliamentary Union on establishing capacity in the National Assembly to engage in national economic management issues.

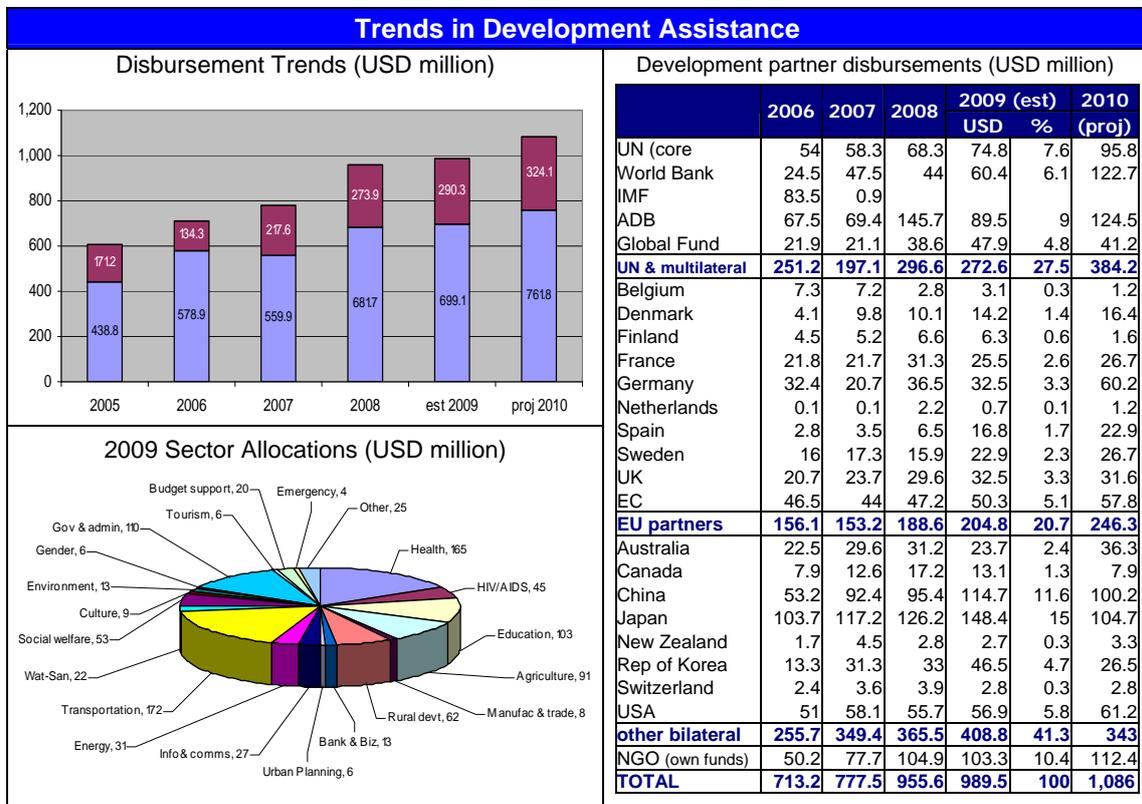
All of these activities informed the Paris Declaration Evaluation country study on Cambodia, which assesses behaviour change and impact on development results. Its preliminary findings indicate that efforts that pre-date the Paris Declaration in Cambodia continue to inform the level of commitment demonstrated by Government, while development partner behaviour is often determined by their own procedures and internal requirements. It confirms the link between capacity and leadership, also observing issues of power that characterise the aid relationship. There have been positive synergies with the core reforms, but more work is required to strengthen national systems, especially in budgeting and M&E, if the link between aid inputs and results is to be made more robust. Aid effectiveness can be seen to have entered the language, if not yet fully the practice, of Government and its development partners.

## **Trends in Development Cooperation**

Total disbursements in 2009 were USD 989.5 million, an annual increase of 3.5% and equivalent to 9% of GDP. Grant support accounted for approximately two-thirds of total disbursements. Japan remains the largest single source of development assistance, disbursing USD 148.4 million in 2009, an 18% increase from the previous year, while China provided support of USD 114.7 million to the infrastructure sectors, representing 13% of total aid and an annual increase of 20%. Aggregate predictability remains at a commendably high level; 93% of resources indicated as available for 2009 at the December 2008 CDCF meeting were disbursed but there is considerable diversity in individual development partner delivery rates. The Royal Government acknowledges the efforts most development partners have made to provide information and to deliver their programmes in a timely manner.

Significant funds continue to be allocated to the social sectors, with the combined share of health, HIV/AIDS and education support representing more than 30% of all assistance in 2009. The transportation sector recorded a significant increase, with support rising by 20% in 2009 to become the largest aid-supported sector. The agriculture sector also received an annual increase of nearly 60%, rising to USD 91.2 million.

The establishment of an on-line NGO Database in 2009 has permitted improved data gathering and validation of NGO activities. Data on NGOs shows that their disbursement of core funds 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. Their efforts continue to be focused primarily on the social sectors with health accounting for more than 30% of core support. In their implementing partner role, NGOs managed an additional USD 100 million of development partner funds in 2009, also directed largely to supporting health services but providing the greater share of NGO-delivered funds to governance, trade, agriculture and rural development.



Source: Cambodia ODA Database (March 2010)

Promoting **ownership**, a major initiative of the Royal Government in 2009 was to update the NSDP to cover the period 2009-2013, aligning it with the Rectangular Strategy – Phase II and the mandate of the Government of the Fourth Legislature of the National Assembly. An additional and important on-going initiative that is associated with this work has been to integrate the budget, Public Investment Programme (PIP) and aid management processes, principally to support the Medium-Term Expenditure Framework (MTEF) exercise and associated sector planning processes. There have also been many positive examples of emerging leadership and capacity initiatives at sector level, often manifested in the production of a coherent and comprehensive sector strategy that provides the basis for all partners to engage in and support a Government-led effort. With regard to CRDB/CDC's own capacity as the Government's mandated aid management focal point, an independent review was commissioned in the second half of 2009. It showed significant progress in achieving positive *outputs* but more difficulty in attaining *outcomes*, which depend on a favourable external environment. This provides an important insight into the wider experience of implementing the aid effectiveness agenda in Cambodia, offering a timely reminder that the Paris Declaration must be approached as a long-term multi-stakeholder reform if it is to change deep-seated behaviours.

A revised NSDP resource framework is an important reference for development partners as it promotes **alignment** with evolving national development priorities. Based on the prevailing NSDP funding profile, aid levels of USD 989.5 million in 2009 exceeded the implied NSDP financing requirement of USD 840 million. Progress on alignment with national priorities, in both aggregate and relative terms, is unambiguously positive in the period since NSDP implementation began in 2006. With regard to the use of Government systems there has been more limited progress and it has proven to be quite difficult for both Government and its development partners to systematically move towards meeting this commitment.

Promoting **harmonisation** between development partners has often focused on managing or reducing aid fragmentation. Government has declined to consider a division of labour exercise, preferring to promote programme-based approaches that simultaneously address issues of ownership, capacity development and use of country systems, integrating core reforms and promoting results-focused approaches. The Paris Declaration Evaluation in Cambodia highlighted additional harmonisation challenges for development partners,

suggesting that there has been insufficient progress in the harmonisation of basic reporting tools and monitoring and evaluation procedures. Other touchstones provide additional anecdotal evidence of the problems encountered in donor harmonisation, highlighting the difficulty of promoting behaviour change.

The effort to introduce *managing for development results* practices in sector work has focused on identifying fewer but more relevant actions and is beginning to yield dividends. TWGs' ability to incorporate these approaches into their work provides an example of how aid effectiveness initiatives should be used to introduce and embed new approaches in routine work, rather than be regarded as an additional undertaking. Complementary initiatives at sector level, the PFM reform, Public Administration Reform and the review of the NSDP monitoring framework also offer useful opportunities to strengthen systems and capacities in order to link project outputs and sector outcomes.

### **Mutual accountability**

The 'Making Partnerships Effective in Cambodia' initiative is rooted in the effort to promote mutual accountability and to make this concept more workable, recognising that in many cases not all partners are sufficiently engaged. Work will continue in 2010 to address the behavioural aspects of partnering. Civil society organisations have also embarked on new initiatives, inspired by the Accra Agenda for Action commitment of donors and partner countries to "deepen our engagement with civil society organisations".

### **Mutual Accountability for Results**

The Joint Monitoring Indicators (JMIs) address both the 'managing for development results' and the 'mutual accountability' principles of aid effectiveness. The JMI format has been revised to strengthen their outcome-level focus based on principles that continue to be rooted in mutual accountability between Government and development partners. They place emphasis on the key activities-outputs-results that are associated with established work processes and monitoring arrangements. Overall progress in JMI implementation has been encouraging but effort needs to be maintained and in some cases increased. Understanding the motivation of each individual and agency is an important step towards managing diverse interests to achieve results.

### **Policy Directions in Aid Management**

The recommendations in this report are based on a recognition of the need to contextualise the normative goals of the Paris Declaration into a framework that is relevant and focused on delivering results. Recognising the realities of the fragmented aid environment and capacity constraints, the use of programme-based approaches has emerged as the Government's preferred means of strengthening ownership, promoting more coherent and sustainable capacity development, and integrating all resources in a comprehensive medium-term strategy. In addition to this technical work, it is also necessary to address issues of strategic leadership, partnership and capacity; CRDB/CDC therefore remains committed to maintaining support to the TWG Network and to leading the 'Making Partnerships Effective' exercise to a successful conclusion. The proposed new JMI on aid effectiveness is as follows:

**Outcome:** Harmonised and aligned development cooperation makes a demonstrable contribution to the delivery of Rectangular Strategy – Phase II and NSDP by furthering sector outcome-level results.

**Output:** New and/or improved programme-based practices and partnerships to implement sector programmes in a results-based manner, address fragmentation and promote predictability including a sector plan, integrated Annual Operational Plan/Budget Strategic Plan, joint capacity assessment, agreed aid effectiveness activities, and provision for joint results-based reviews of progress.

**Activities:**

1. CRDB/CDC to facilitate TWG Network of RGC secretariats (and trainings)
2. CRDB/CDC to facilitate capacity assessments of TWGs/sector ministries
3. CRDB/CDC to promote PBAs & capacity development to address fragmentation & predictability
4. CRDB/CDC to conclude and follow-up "Making Partnerships Effective" work
5. P+H TWG to serve as peer review mechanism (to promote learning and knowledge)
6. P+H TWG to support analytical work on country system use
7. Development partners to explicitly state aid effectiveness commitments.

### **Conclusions**

There have been signs of significant progress but there is still more to be done. The initiatives reviewed and the results recorded suggest that there has been change at a technical level, but the more profound changes in aid management and delivery practices have proven to be more elusive. The idiosyncrasies of Cambodia's own aid dynamics – long-term aid dependency, institutional weaknesses, competitive development partner behaviour, and the culture of both Cambodia and the aid business - cannot be discounted. But analysis from Cambodia also resonates strongly with global findings, highlighting that change in aid delivery and management practices is by no means easy. Immediate and urgent measures are required, including to strengthen sector programmes and reforms that reinforce Government ownership and focus on capacity development. A longer-term perspective on change that recognises complexity also needs to be adopted. The Royal Government of Cambodia, working with its development partners, remains committed to the work that lies ahead.



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# 1. Introduction

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The five-year implementation period of the Royal Government's Harmonisation, Alignment and Results (H-A-R) Action Plan, derived from the 2005 Paris Declaration on Aid Effectiveness, draws to a close in December 2010. This Aid Effectiveness Report, prepared for the third CDCF meeting taking place in June 2010, therefore provides a suitable opportunity to reflect on the H-A-R Action Plan's achievements and remaining challenges. The purpose of such reflection is to learn from the experience of implementation to identify how aid management arrangements have been reformed in order to secure an increased impact on development results. Based on this understanding, lessons can inform policy dialogue and the future direction of aid management in Cambodia.

## ***Objectives of the Report***

The 2010 Aid Effectiveness Report therefore has two principal objectives:

1. ***To review lessons of implementation*** – principally focusing on the period since December 2008, the occasion of the second CDCF meeting, but, where it is instructive, to also reflect on the period since 2006 in which the H-A-R Action Plan and the Paris Declaration have been implemented in Cambodia.
2. ***To chart the future direction of aid management*** - by using the evidence on changing aid practices and developmental impact it is possible to consider how the Royal Government and its development partners can contribute to the global and national policy agenda to ensure NSDP priorities and the Cambodia MDGs are realised.

The available evidence on aid management enables both reflection and a forward-looking perspective as this Aid Effectiveness Report is able to draw on a wealth of national and global evidence relating to aid management. The Cambodia ODA Database remains the primary source of data on development cooperation but this is augmented by qualitative reports provided by each of the nineteen Technical Working Groups (TWGs), the Evaluation of the Paris Declaration (Cambodia country case study), and a number of policy speeches and research findings by the Royal Government, development partners and civil society. Nearly five years in to the global process facilitated by the Paris Declaration there is also a wide range of international reports and studies that are relevant to the Cambodia experience.

Prior to commencing the review of aid effectiveness-related activities it is appropriate to re-visit the original motivation for this work. Although the international development partner community had been reflecting on the results of its efforts throughout the 1990s, it was in 2003 that the first international High-level Forum took place, producing the Rome Declaration on Harmonisation. This was succeeded in 2005 by the Paris Declaration on Aid Effectiveness, which took a broader view, first by including partner countries (and some civil society organisations), and, second, by considering aspects of aid management other than donor harmonisation.

## ***Revisiting the motivation for promoting aid effectiveness***

The Paris Declaration (paragraphs 3 and 4) identified eleven 'problems' with current aid arrangements. Reflecting on them here can provide a useful benchmark by which to gauge successes in Cambodia since 2005 and the continuing challenges that must be addressed in the period beyond the scope of the current national and global aid effectiveness frameworks. The specific challenges that motivated more than one hundred donor and partner countries and development agencies to sign the Paris Declaration were as follows:

- i) Strengthen partner countries' national development strategies & budgets
- ii) Increase alignment with national priorities & systems, focusing on capacity development
- iii) Enhance accountability to citizens & parliaments for performance
- iv) Eliminate duplication of efforts and rationalising donor activities
- v) Reform & simplify donor procedures to encourage collaboration & alignment
- vi) Define & apply common standards of performance & accountability (PFM, procurement etc)
- vii) Strengthen institutional capacities to develop & implement results-driven strategies
- viii) Ensure predictable & multi-year commitments of aid
- ix) Promote delegation of authority to donors' field staff & address incentives for collaboration
- x) Integrate global/vertical programmes & initiatives
- xi) Address transparency & corruption challenges

### **Promoting aid effectiveness, achieving development results**

The eleven global challenges were subsequently applied to the Cambodia context in the form of the 2006-2010 H-A-R Action Plan. In the intervening period, however, an increased emphasis has been placed on establishing and strengthening the link between aid effectiveness activities and development results. Activity is only meaningful if it achieves higher-level outcomes; in the Cambodia case this means the attainment of national development goals articulated in the Rectangular Strategy – Phase II, the National Strategic Development Plan (NSDP) and associated sector strategies and reforms.

Previous Aid Effectiveness Report's have identified the link between aid effectiveness and development results, which can be summarised as follows:

- *Ownership and Leadership.* National and global evidence confirms that the most direct link between improved aid relations and development results manifests itself through the creation of a multi-stakeholder partnership that respects national ownership and addresses power dynamics.
- *Policy, planning & resource management.* Stronger partnerships, shared development agendas and better information management contribute directly to the ability and capacity to integrate policy, planning and budgeting. Perhaps more important, it can facilitate learning and innovation.
- *Incentives and motivation.* For Cambodia, the ability to identify its own national development goals and trajectory is paramount. For development partners, incentives to align with and participate in national processes need to be balanced with HQ/capital interests.
- *Capacity development.* Where aid effectiveness has been found to support national development it is almost without exception associated with strong evidence of a prominent role for external support in supporting capacity development.
- *Service delivery.* Aid continues to directly finance the delivery of important public services. Enhanced aid effectiveness ensures that these services are delivered in a coordinated manner and with a longer-term view to capacity development and sustainability.
- *Effective monitoring systems.* Improved information management, especially related to the delivery of development assistance provides an essential tool to enable mutual review and common learning that helps to establish and consolidate trust between partners.
- *Accountability.* The need to record and make available to the public the level and profile of the external resources that have been allocated, as well as to demonstrate their effective use, is perhaps the most sustainable way in which to ensure the link between inputs and results.

### **Structure and main findings of the 2010 Aid Effectiveness Report**

This Report begins by reviewing partnership initiatives since the second CDCF meeting in December 2008, demonstrating continuity with earlier activity where relevant. It indicates that there is increased acceptance of the need to address partnership dynamics to integrate aid effectiveness work with the results-based reform agenda. A review of trends in aid delivery then demonstrates the improvements that have taken place in aligning aid with national development priorities and addressing fragmentation, but also shows that much work still needs to be done if these improved management practices are to be translated into development results. This allows the subsequent section to focus more directly on issues of mutual accountability, principally through the Joint Monitoring Indicators (JMIs), that shows good progress in implementing agreed actions as well as in addressing the underlying partnership challenges that can sustain these results. Policy directions and a conclusion then bring together the empirical evidence to offer a series of recommendations for renewing commitment to aid effectiveness work in the period beyond the life of the H-A-R Action Plan and the Paris Declaration.

The Report finds that, in a challenging economic climate, aid levels have been maintained. Efforts to ensure these resources have maximum impact requires, however, that efforts to apply relevant practices and to integrate aid effectiveness principles with the core reform programmes must continue. There is a growing body of evidence that suggests global commitments by development partners also need to be accompanied by reforms within their organisations that translate these commitments into actions at country level. Recommendations of this Report are based on learning and identifying opportunities for progress that, while informed by the realities of the aid relationship, can also encourage positive reform of aid delivery and management mechanisms. These include making improved use of programme-based approaches and continuing to focus on partnership dynamics. Promoting the synergy between capacity development and ownership provides the unifying theme of the Report.

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## 2. The Development Partnership in 2009/10

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The 2008 Aid Effectiveness Report identified a number of policy recommendations for the Royal Government and development partners to be implemented both individually and collectively. Informed by the 2008 Evaluation of the Implementation of the H-A-R Action Plan, which included an independent review, these recommendations focused on identifying fewer, more relevant aid effectiveness actions at sector level. Building on the Accra Agenda for Action, which was signed in September 2008, it was felt that the priority in Cambodia was to engage the leadership, both Royal Government and development partner, to build consensus on activities related to sector programmes and the core reforms, and to then integrate aid effectiveness work into these priority programmes. Technical and leadership-related measures designed to strengthen partnerships were therefore the main theme of the 2008 Aid Effectiveness Report's policy recommendations.

This proposed way forward was welcomed by participants at the second CDCF meeting and has informed the work of CRDB/CDC, other Ministries and agencies of the Royal Government and development partners throughout 2009 and the first half of 2010. This section of the 2010 Aid Effectiveness Report therefore first provides an overview of the initiatives and activities that have taken place since the end of 2008. It then attempts to determine how effective they have been as a collective response to the dialogue and agreement at the second CDCF meeting.

### ***Aid effectiveness Joint Monitoring Indicators***

The principal recommendation of the 2008 Aid Effectiveness Report was that the Government and its development partners come together in each sector to identify, discuss and agree a set of aid effectiveness activities and indicators. The criteria for activity selection included that these actions be relevant, of high priority in terms of their link to achieving results, within the combined influence of Government and its partners, have high-level support, and have sufficient capacity and resourcing. Government officials at a high level, including TWG Chairs, therefore met in the weeks after the second CDCF meeting to review existing national and global commitments, apply them to the national and sector context and to then deliberate on options for integrating aid effectiveness practices at sector level. Three main areas of focus emerged:

- i) Strengthening or establishing programme-based approaches and sector strategies,
- ii) Focus on capacity development and use of national systems,
- iii) Promoting sound partnership practices based on the principles of mutual accountability.

After two days of intensive discussion about global principles and national context it was noteworthy that senior officials of the Royal Government did not feel that 'division of labour', a practice identified in the 2008 Aid Effectiveness Report as potentially useful, was the most suitable means of addressing aid fragmentation. Rather, the preferred approach was to manage diversity in the context of Government-led sector programmes that made use of integrated programming of resources and stronger capacity to use national systems. Achievements in implementing the aid effectiveness JMIs are reported under the Managing for Development Results section in Chapter Three but observed challenges include: (i) inter-ministerial coordination; (ii) continued need to improve alignment of technical cooperation on sector, not project, priorities; (iii) establishing a multi-stakeholder consensus on strategic direction; (iv) diverging development partner priorities and practices; and (v) availability of human and financial resources. More mature sector programmes, including Education, have made a strong case for increased pooled funding in order to simplify programming of resources and to ensure they are directed to capacity development objectives related to the strengthening and use of national systems.

### ***Making Partnerships Effective***

A second theme that emerged from the findings of the 2008 Aid Effectiveness Report related to partnership dynamics. The prevailing global development paradigm emphasises working in partnership to achieve the Millennium Development Goals but in Cambodia, which is characterised by a highly-fragmented aid environment, this has brought together a wide group of stakeholders with divergent interests and accountability lines. The 2008 Evaluation of the H-A-R Action Plan highlighted that achieving objectives related to aid effectiveness was no longer just a technical problem; stronger leadership and improved partnership arrangements were also required. Recognising the complexity of multi-stakeholder partnerships, but also acknowledging that they are critical to the successful implementation of the NSDP, CRDB/CDC established the 'Making Partnerships Effective in Cambodia' initiative to facilitate partnership-building. This work includes four phases: (i) consultation and diagnosis; (ii) process facilitation; (iii) support and review; and (iv) final review and reporting. The exercise commenced in mid-2009 with some

diagnostic work before a Strategic Meeting was held in Siem Reap in September 2009. Attended by many TWGs and development partner facilitators, participants found this to be a useful opportunity to establish an understanding of how partnerships can manage diversity and create value while helping to establish an effective rapport between counterparts at TWG level. This work will continue to address the non-technical aspects of partnership and sector work throughout 2010.

### ***TWG Network and support mechanisms***

CRDB/CDC's Capacity Development Strategy, developed in 2006, identifies the need to position CRDB/CDC as a strategic hub in aid management and to facilitate the work of other Government Ministries and agencies in order to fulfill its mandated role as the Royal Government's aid coordination focal point. This has focused on establishing a performance culture and developing the competencies to provide effective on-demand support to line ministries, TWGs and development partners. Following training provided by CRDB/CDC for 70 Government staff from all TWGs that took place in the Philippines in 2007 and 2008, CRDB's efforts to support sector work has included two important initiatives related to networking and resourcing.

The first initiative established a TWG Network that recognised and promoted the value of peer-to-peer communication that can complement formal public service structures. This supports relationship building around areas of common interest and facilitates informal communication and information sharing. The TWG Network has continued to meet 2-3 times a year for consultation and training and has provided important opportunities for learning as well as for dialogue and consultation on aid effectiveness processes. The focus of meetings has included the JMIs, capacity development and the use of technical cooperation, partnership building, priority setting, programme based approaches, and inter-Ministerial collaboration on cross-cutting issues such as gender, HIV/AIDS, and food security. One training of particular note was the Managing for Development Results course that was provided to the TWG Network as well as other TWG secretariat and development partner colleagues in November 2009. This was subsequently used to produce a revised format for the JMIs to be endorsed at the Third CDCF meeting. These improvements to the JMIs will strengthen their results focus

A related initiative has been to provide block grant support to TWG secretariats where development partners active in the respective sector have been unable or unwilling to provide the USD 15-20,000 that is required annually to facilitate a TWG. Ten TWGs received support throughout 2008 and 2009, principally for equipment, meeting costs, aid effectiveness analytical work and, until their suspension, a merit-based incentive. CRDB/CDC strongly urges development partners to meet these on-going costs but has indicated that it is still able to provide on-demand but more limited support throughout 2010.

### ***Government - Development Partner Coordination Committee (GDCC)***

The GDCC has met three times under the chairmanship of Deputy Prime Minister Keat Chhon since the 2008 CDCF meeting. These meetings have provided an opportunity to review progress in the implementation of the JMIs, including for aid effectiveness, as well as to dialogue on issues of common concern related to the economy, sectoral issues and the NSDP Update. The GDCC has also served as a forum to discuss the work of the Ministry of Planning-chaired committee tasked with the integration of planning, budgeting and aid management functions, which are important to the implementation not only of the Paris Declaration, but also to the NSDP and Public Financial Management reforms. The work of the committee is continuing in its efforts to harmonise and link budget reform, in the context of PFMRP, with the Public Investment Programme and the aid data management process facilitated by CRDB/CDC on behalf of the Royal Government.

Supporting the work of the GDCC is the Partnership and Harmonisation TWG, which also met three times during 2009 and 2010. In 2009 the TWG focused on the negotiation of aid effectiveness JMIs, the development of the 'Making Partnerships Effective' initiative and JMI training, and design of an on-line 'induction course' for development partners. In 2010 it will oversee the Evaluation of the Paris Declaration, diagnostic work on use of country systems, and continuing dialogue on sector aid effectiveness JMIs. The P+H TWG, which is co-facilitated by UNDP and, newly-elected in 2010, Sweden, has agreed that a continued focus on using country systems and implementing the Guideline on Technical Cooperation are important activities for the remainder of 2010 as they are associated with capacity development, linking aid effectiveness to the core reforms, and integrating of planning, budgeting and aid management processes. The unifying theme of the P+H TWG is consistent with the broader effort to promote the use of programme-based approaches as a means of managing diverse support in an integrated resource framework, coordinating capacity initiatives and establishing joint results-based reviews.

### **Monitoring of priority projects in response to economic downturn**

As part of a joint response to the economic and associated social challenges resulting from the global recession and subsequent slowdown in Cambodia, the April 2009 meeting of the GDCC agreed to identify and monitor implementation of projects which were influential in mitigating any adverse impact. Criteria were established to identify large, investment-related projects that supported economic growth, especially in infrastructure or agriculture, protected people's livelihoods, or formed part of essential safety net provision. Sixty-eight projects with estimated disbursements of USD 370 million in 2009 were identified at a meeting of Government and development partners in July 2009.

**Table One. 2009/10 Disbursements on Priority Projects (USD million)**

	Budget 2009	Disbursement 2009	2009 % disbursed	Budget 2010	Disbursement 2010 (proj)	2010 % disb (proj)
Economic growth	180.8	135.0	75%	136.6	171.7	126%
Livelihoods	121.2	100.3	83%	111.8	104.6	94%
Safety nets	68.2	51.1	75%	58.4	51.0	87%
<b>Total</b>	<b>370.2</b>	<b>286.4</b>	<b>77%</b>	<b>306.8</b>	<b>327.3</b>	<b>107%</b>

Note. 2010 budget presented to RGC/DP meeting on 21 July 2009.

At the September 2009 meeting of the GDCC it was reported that only 51% of the funds for 2009 had been disbursed in the first three quarters; only 20 of 68 projects were able to report that they expected to be able to accelerate implementation. In some cases TWGs had discussed these projects and found that common implementation problems related to: (i) procurement; (ii) legal and contractual issues; (iii) project execution capacity; and (iv) over-ambitious project planning. Analysis in early 2010 showed that total disbursements in 2009 amounted to USD 286.4 million, representing a performance of 77% (83% for the separate livelihoods component). Further consultations with project managers in March 2010 found that there is still scope to strengthen the link between major project investments and TWG monitoring and dialogue. This relates to broader requirements, first, to focus TWG dialogue on issues of implementation and, second, to strengthen capacity for efficient and timely project execution. 2010 presents an opportunity to take this work forward, noting that projected disbursements amount to USD 327.3 million.

### **Information management**

The priority project monitoring exercise highlights once again the important link between information management and the delivery of effective aid. This applies equally to efforts to integrate planning, budgeting and aid management exercises as well as to supporting sector programmes to align resources in a sustainable and results-based manner. The Cambodia ODA Database, which is maintained by CRDB/CDC on behalf of the Royal Government, has therefore been further adapted in 2009/10, including to customise the system for Education sector PIP preparation as well as to record missions and analytical work in an attempt to encourage development partners to monitor and coordinate their missions/studies. In 2009, CRDB, also launched a complementary system that records the support provided and implemented by NGOs (see analysis presented in Chapter Three).

### **Global processes: Implementing Accra Agenda for Action commitments**

In addition to the 2008 Cambodia Evaluation, the learning process was also informed by the analytical work that fed into the Accra Agenda for Action (AAA), the outcome statement of the 3rd High-level Forum on Aid Effectiveness. Global commitments principally related to increasing the effort to make good on existing promises and included a number of issues that, while included in previous commitments, were highlighted in the AAA. These included:

- Strengthening links with civil society - in addition to sectoral initiatives, there has been a concerted effort by the NGO community to engage in dialogue on development cooperation matters. This has included province-level meetings on making AAA operational for civil society in Cambodia and some efforts to more fully understand the quantity and modality of NGO assistance. A high-level meeting with Government and development partners in March 2010 emphasised the potential for civil society to contribute to policy formulation and serves as a prelude to further dialogue on initiatives to strengthen partnerships and civil society engagement.
- Use of country systems as a first option – as a central AAA commitment of development partners, the EU partners, facilitated by Sweden, have commissioned analytical work on a range of country systems as a first step to identifying measures to strengthen and use Government systems. This work will be presented for discussion at the Partnership and Harmonisation TWG.
- Strengthening engagement with Parliament – a study was supported by the Inter-Parliamentary Union in March 2010. This study recommended measures to strengthen the capacity of the

National Assembly to engage in national economic management issues as well as to promote linkages between the legislative and executive branches.

More generally, Cambodia remains committed to participating in global processes in order to contribute as well as to learn. Cambodia engaged with the global process nearly ten years ago and has contributed to the analytical work that has informed the three High-level Forums (Rome in 2003, Paris in 2005, Accra in 2008). In 2009, Cambodia joined the Global Evaluation of the Paris Declaration and participated in the International Aid Transparency Initiative (IATI), including hosting Aid Information Management Systems Learning Exchanges for officials from Viet Nam, Laos, Timor-Leste, Indonesia, Nepal and Papua New Guinea. Additional regional initiatives included participation in peer-to-peer meetings with NGOs and Parliamentarians and sub-regional work on mutual accountability.

As previously observed, there has often been a 'gap' between the global commitments of development partners and the implementation of their programmes in a partner country. As a result of its membership in the OECD-sponsored Working Party on Aid Effectiveness, Cambodia has therefore been able to propose actions to the Working Party co-Chairs on measures that may address development partner incentives, motivation and accountability for keeping their promises. In addition, the CRDB/CDC Secretary General delivered key-note addresses in Berlin (June 2009) and Seoul (November 2009) on the direction of aid effectiveness work post-Paris Declaration. Proposals included:

1. To become better at learning from past experience and using evidence.
2. To better understand the environment and make policy that is relevant and suited to context.
3. To be more willing and able to adapt approaches, and to be more prepared to innovate by:
  - a) identifying relevant and prioritised actions as part of a managed approach;
  - b) focusing on capacity development as the guiding principle for delivering all forms of aid;
  - c) identifying measures to strengthen multi-stakeholder partnerships; and
  - d) establishing PBAs as a means to manage fragmentation, support coherent capacity development, integrate reforms and promote mutual accountability in results-based strategies.

### **Global evaluation of the Paris Declaration**

All of the above activities informed the Paris Declaration Evaluation country study on Cambodia that was commissioned in the first quarter of 2010. This study will contribute to the global evaluation to be tabled at the 4th High-level Forum on Aid Effectiveness in Seoul in November 2011. The Evaluation is a summative exercise intended to record the results and the lessons of five years implementation of the Paris Declaration. It assesses both behaviour change and impact on development results by considering three core questions:

1. **Context:** 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?
2. **Behaviour change:** 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?
3. **Influencing results:** Has the implementation of the Paris Declaration strengthened the contribution of aid to sustainable development results?

A draft report was presented by the independent review team at the end of April 2010. Based on desk research, case studies, detailed project sample reviews, interviews and on-line surveys the study concluded that behaviour and performance was heavily dependent on context. Efforts that pre-date the Paris Declaration in Cambodia continue to inform the level of commitment demonstrated by Government, while development partner behaviour is often determined by their own procedures and internal requirements.

<b>Paris Declaration Evaluation</b>	
<b>Context</b>	<ol style="list-style-type: none"><li>1. Initiatives that pre-date the Paris Declaration in Cambodia remain a significant influence.</li><li>2. Capacity and leadership are strongly inter-related, often driving results at sector level.</li><li>3. Issues of power and influence characterise the aid relationship but are often overlooked.</li></ol>
<b>Behaviour change</b>	<ol style="list-style-type: none"><li>4. Development partners identify a tension between country-level commitments and HQ/capital procedures/requirements.</li><li>5. There have been positive synergies with the core reforms, especially PFM and D&amp;D.</li><li>6. Aid reporting has promoted transparency but is not translated into use of budget systems.</li><li>7. Reported donor fatigue is often not matched by demonstrated improvement or change in behaviour or results.</li></ol>
<b>Influencing results</b>	<ol style="list-style-type: none"><li>8. Stronger M&amp;E systems are required to support and enable outcome-level reporting.</li><li>9. An RBM culture is still formative but has improved transparency in aid delivery at project, sector and national level.</li><li>10. Progress in mainstreaming cross-cutting issues, especially gender, shows promise.</li><li>11. Aid effectiveness has entered the language but not always the behaviour, and so cannot be fully attributed to any results achieved.</li><li>12. As a normative framework, the Paris Declaration presents a risk that it may marginalise alternative effective practices.</li></ol>

### 3. Trends in Development Cooperation

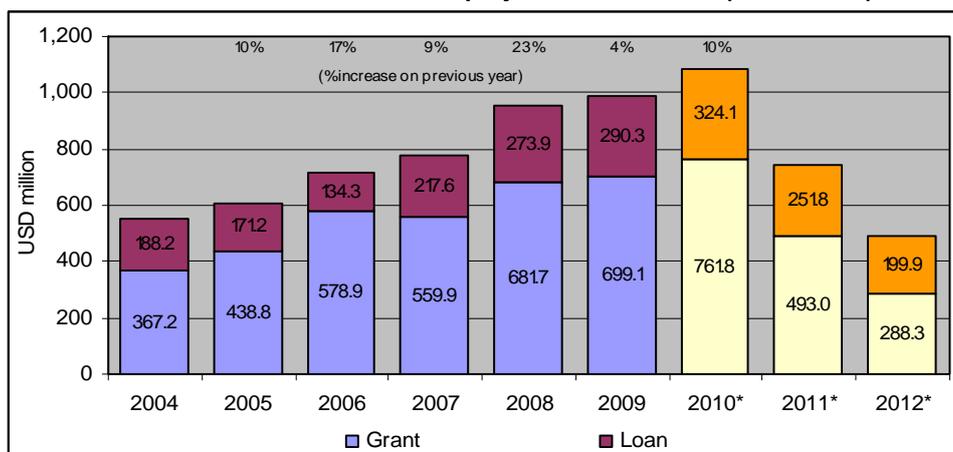
This chapter highlights the main trends in the provision of development assistance, focusing principally on the period 2008 - 2009 but also taking account of projections for the period 2010 - 2012. This chapter also considers additional activity and evidence related to the Paris Declaration's five principles of effective aid; accordingly, it assesses how Cambodia has facilitated country leadership, promoted alignment of development assistance with country priorities and systems, facilitated harmonisation among development partners, strengthened systems for results-based management, and promoted mutual accountability.

It is also useful to review the H-A-R Action Plan, the framework for promoting aid effectiveness in Cambodia, in the context of the NSDP Update, which provides an operational framework for implementing the Rectangular Strategy – Phase II. Complemented with reports regarding the Royal Government's on-going reforms and sectoral work, this evidence allows a firm analytical basis to be established for assessing progress and making further policy recommendations.

#### Total disbursements and the contribution of development cooperation

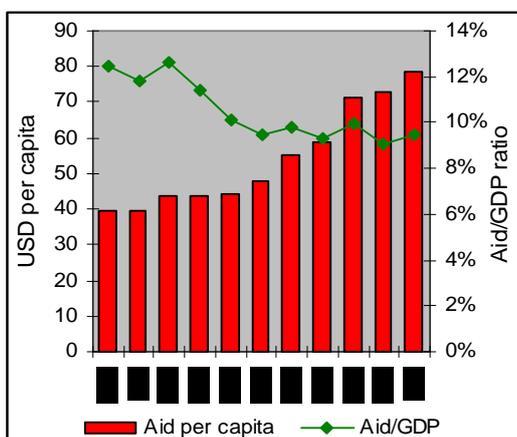
Confirmed disbursements to the year 2009, shown in Table One below, reveal continuous growth in aid in the period since 2004, reaching USD 989.5 million in 2009, an increase of 4% from 2008 in which USD 955.6 million was disbursed. Projections for 2010 predict a further 10% annual increase to raise development cooperation to in excess of USD 1 billion. Despite pressures on global aid levels resulting from the economic crisis, the data for Cambodia therefore shows a small increase for 2009 and further expected growth in 2010. The share of grant support in total development assistance has remained relatively stable over the reporting period, increasing slightly from 66% in 2004 to 71% in 2009. It should be noted that data for the outer years, 2011 and 2012, is based on projections for resources committed and is therefore not an accurate reflection of expected actual aid flows for those years (see the discussion on predictability in this section). The MYIFF exercise associated with the 2010 CDCF meeting is expected to provide more accurate projections.

Chart One. Disbursements and projections 2004-2012 (USD Million)



Note. 2010-2012 data represents projections based on programmed resources

Chart Two. Aid per capita and Aid/GDP ratios



It is useful to look back at broad trends over the past decade in the provision of development cooperation. This can help to understand the relative importance of these resources and their contribution to socio-economic development.

Chart Two shows that the broad trend in the aid to GDP ratio since 2000 has been downwards, even though aid levels themselves have more than doubled in this time. This is a result of the favourable trend in GDP, particularly since 2002 as rapid economic growth has seen the value of the economy increase from USD 4.2 billion in 2002 to an expected level of around USD 11.5 billion in 2010. The aid/GDP ratio has therefore been below 10% every year since 2005 and appears to have stabilised at between 9-10% of GDP.

By contrast, aid per capita has increased rapidly, almost doubling from around USD 40 per capita in 2000 to a projected USD 78 in 2010. This ratio is principally determined by the relatively low population growth rate which results in a doubling of aid having a comparable effect on the aid per capita figure.

### **NSDP Update 2009-2013 and resource requirements**

A major initiative of the Royal Government in 2009 was to lead the NSDP Update 2009-2013. The NSDP Update has two stated goals: first, to align the NSDP with the implementation period of the second phase of the Royal Government's Rectangular Strategy; and, second, to reconcile sectoral plans with national priorities in a manner that responds to the economic downturn in 2009. Maintaining the strategic focus of the Rectangular Strategy, based on macroeconomic stability, good governance and an enabling environment for broad-based economic growth, the NSDP Update process attempts to clarify responsibilities for policy implementation in a manner that is consistent with the macroeconomic framework, and to reconcile 'top down' planning processes, based on aggregate resource availability, with 'bottom up' approaches that respond to the priorities identified by line ministries and sub-national entities. The NSDP Update has sought to facilitate consultations principally through the TWG mechanism, including to reaffirm principles for effective partnership and to promote the impact of development assistance through the use of programme-based approaches.

As a result of these consultations, together with further review and analysis, a revised resource framework has been developed by the Ministry of Planning (Table Two). This includes new priority programme areas including technical/vocational training and measures to mitigate the impact of the economic downturn on the poor and vulnerable. Reflecting the need to promote a results-based approach, the NSDP Update has also taken the opportunity to review and strengthen the monitoring framework associated with the NSDP. The NSDP framework of 'core monitoring indicators/targets' has therefore been augmented with further efforts to clarify reporting responsibilities and to establish routine systems for data collection and monitoring. This work is on-going and is closely linked to associated reforms at central and sub-national level to strengthen and link Government information systems as well as to draw from other acknowledged sources and initiatives such as the monitoring of the Cambodia Millennium Development Goals.

**Table Two. NSDP resource requirements 2006 – 2013 (USD Million)**

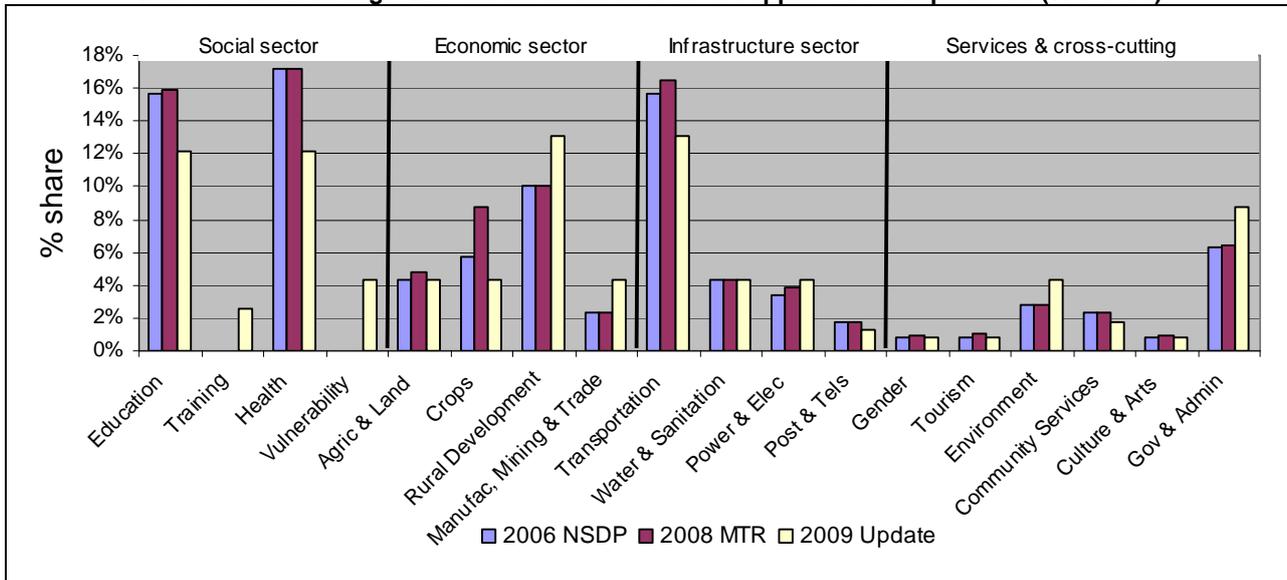
Sector	2006 NSDP	2008 MTR revision	2009-2013 Update
<b>Social Sectors</b>			
Education (basic = 60%)	550	670	700
Technical & vocational training			150
Health	600	720	700
Mitigation of vulnerability			250
<b>Sub-Total</b>	<b>1150</b>	<b>1,390</b>	<b>1,800</b>
<b>Economic Sectors</b>			
Agriculture & Land Mgmt: other than crops	150	200	250
Seasonal crops: rice etc	200	370	250
Rural Development	350	420	750
Manufacturing, Mining & Trade	80	100	250
<b>Sub-Total</b>	<b>780</b>	<b>1,090</b>	<b>1,500</b>
<b>Infrastructure</b>			
Transportation (Primary & Secondary Roads)	550	690	750
Water and Sanitation (excluding rural)	150	180	250
Power & Electricity	120	160	250
Post & Telecommunications	60	75	75
<b>Sub-Total</b>	<b>880</b>	<b>1,105</b>	<b>1,325</b>
<b>Services &amp; Cross Sectoral Programmes</b>			
Gender Mainstreaming	30	40	50
Tourism	30	45	50
Environment and Conservation	100	120	250
Community and Social Services	80	100	100
Culture & Arts	30	40	50
Governance & Administration	220	270	500
<b>Sub-Total</b>	<b>490</b>	<b>615</b>	<b>1,000</b>
Unallocated	200		116
<b>Grand Total</b>	<b>3,500</b>	<b>4,200</b>	<b>5,741</b>

Source: NSDP 2006 Table 5.2, NSDP MTR 2008 Table 4.3, and NSDP Update Table 25

The revised resource framework that has been prepared for the NSDP Update is an important reference for development partners as it shows how resources are to be aligned with national development priorities. The resources allocated to respective priorities clearly needs to be reviewed and revised at regular intervals, however, and Table Two shows how estimates of required resources – domestic and external – have evolved since 2006 when the first NSDP came into operation. In addition to the two new areas identified in the NSDP Update (vocational/technical training and mitigating vulnerability), it can be seen that relative allocations (not total sums) have declined in education, health, agriculture and transportation, while relatively

more emphasis has been placed on rural development, power supply, governance and, as a response to climate change, the environment. This underlines the commitment to maintain efforts related to governance reforms, especially in public financial management and in decentralisation and deconcentration, while promoting a sharper focus on rural development.

**Chart Three. Evolving NSDP resource allocations to support national priorities (% shares)**



**Trends in development cooperation**

The overall trends in development cooperation, highlighted in Chart One, demonstrate that aid levels to Cambodia continue to rise. This reflects a continued effort by the Royal Government to mobilise resources as well as the continued commitment of the international community to support Cambodia's reforms and development priorities. Over the period 1992 to 2009, a total of 9.79 billion in disbursements to Cambodia has now been reported by development partners. Chart Four highlights the relative shares of development partner contributions, which include:

- USD 2.27 billion by European Union countries and the EU Commission (23.2%)
- USD 1.83 billion from Japan (18.7% of total ODA received since 1992)
- USD 0.98 billion from ADB, USD 0.8 billion from the UN, USD 0.64 billion from the World Bank
- USD 2.82 billion (28.8%) by UN Agencies, IFIs and other multilateral organisations
- USD 0.86 billion (8.8%) provided by NGOs (own resources)
- USD 0.51 billion from China, 85% of which has been disbursed since 2004

**Chart Four. Disbursement totals (1992-2010)**

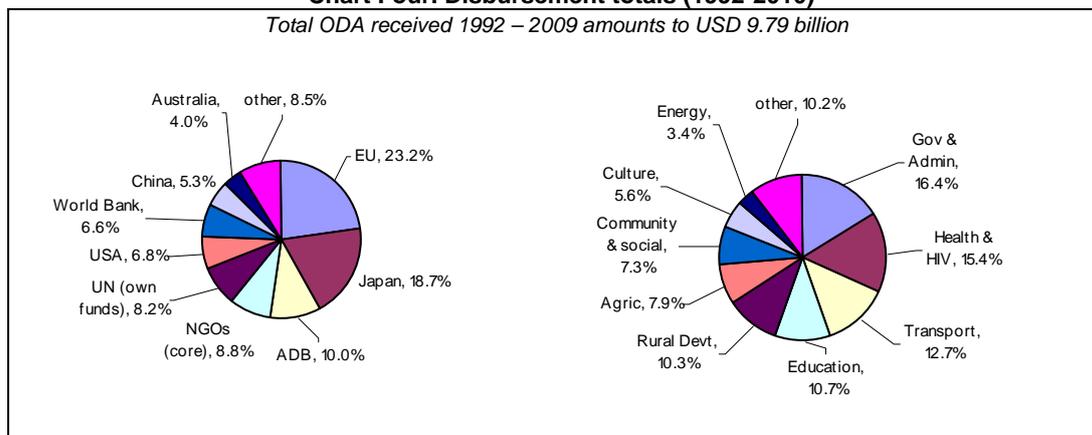


Chart Four also highlights the sectors that have received the highest levels of support. Governance and administration (including support for Decentralisation & Deconcentration, other reforms and elections) has received the largest share of support (USD 1.6 billion) with significant support also to health & HIV/AIDS (USD 1.5 billion), transportation (USD 1.2 billion), education (USD 1 billion) and rural development (USD 1 billion).

For more recent years, Table Three shows disbursements by development partner with the total 2009 disbursement of USD 989.5 million representing a 3.5% increase on the 2008 figure. Japan remains the largest single source of development assistance, disbursing USD 148.4 million in 2009, an 18% increase from the previous year, while China provided support of USD 114.7 million to the infrastructure sectors, representing 13% of total aid and an annual increase of 20%.

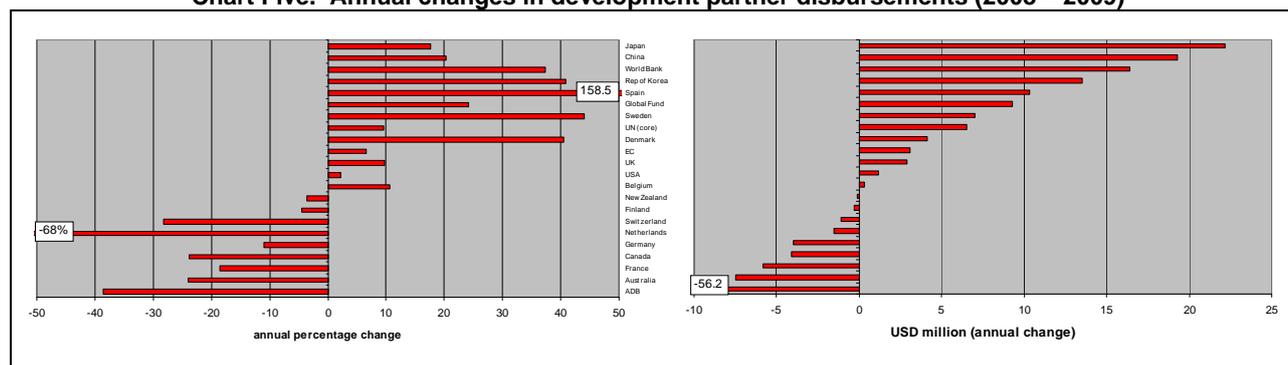
Other notable increases in disbursements were recorded by Spain (158% increase), Korea (41%), Denmark (40%), Sweden (40%), the World Bank (37%) and the Global Fund (24%). Expected disbursements in 2010 show a further expected annual rise of 10% to more than USD 1 billion, with the World Bank expecting to double their support and further large increases anticipated from the combined EU partners (20%) and Australia (50%). Given the uncertain nature of the data provided, it must be understood that these figures, including for development partners that currently estimate a reduction in disbursements, are estimates based on commitments to current and pipeline projects.

**Table Three. Disbursements and projections by development partner 2004-2012 (USD millions)**

Development partner	2004	2005	2006	2007	2008	2009 (est)		2010 Plan	2011 Plan	2012 Plan
						USD	%			
<b>UN and multilaterals</b>										
UN programs (all funds)	73.8	91.8	96.3	98.6	109.0	127.3	12.9			
UN (own resources)	36.3	41.1	54.0	58.3	68.3	74.8	7.6	95.8	12.2	5.0
World Bank	49.5	37.8	24.5	47.5	44.0	60.4	6.1	122.7	109.6	93.8
IMF	2.4	0.3	83.5	0.9						
Asian Development Bank	76.7	89.4	67.5	69.4	145.7	89.5	9.0	124.5	116.8	92.8
Global Fund		18.8	21.9	21.1	38.6	47.9	4.8	41.2	27.2	14.8
<b>Sub-Total UN &amp; multilaterals</b>	<b>164.8</b>	<b>187.5</b>	<b>251.2</b>	<b>197.1</b>	<b>296.6</b>	<b>272.6</b>	<b>27.5</b>	<b>384.2</b>	<b>265.7</b>	<b>206.3</b>
<b>European Union</b>										
Belgium	5.2	11.7	7.3	7.2	2.8	3.1	0.3	1.2	0.3	
Denmark	5.8	4.8	4.1	9.8	10.1	14.2	1.4	16.4	2.0	2.0
Finland	3.3	3.3	4.5	5.2	6.6	6.3	0.6	1.6	2.1	2.1
France	23.0	24.4	21.8	21.7	31.3	25.5	2.6	26.7	16.6	13.6
Germany	14.1	27.3	32.4	20.7	36.5	32.5	3.3	60.2	47.5	29.5
Netherlands	1.6	1.1	0.1	0.1	2.2	0.7	0.1	1.2	0.1	0.0
Spain			2.8	3.5	6.5	16.8	1.7	22.9	2.1	
Sweden	22.0	13.6	16.0	17.3	15.9	22.9	2.3	26.7	22.2	6.5
United Kingdom	17.0	20.6	20.7	23.7	29.6	32.5	3.3	31.6	16.5	13.9
European Commission	15.0	23.7	46.5	44.0	47.2	50.3	5.1	57.8	53.4	41.5
<b>Sub-Total: EU</b>	<b>107.1</b>	<b>130.6</b>	<b>156.1</b>	<b>153.2</b>	<b>188.6</b>	<b>204.8</b>	<b>20.7</b>	<b>246.3</b>	<b>162.8</b>	<b>109.1</b>
<b>Other Bilateral Partners</b>										
Australia	24.3	16.8	22.5	29.6	31.2	23.7	2.4	36.3	42.8	19.0
Canada	1.5	9.1	7.9	12.6	17.2	13.1	1.3	7.9	3.8	2.5
China	32.5	46.6	53.2	92.4	95.4	114.7	11.6	100.2	64.7	28.7
Japan	101.8	111.7	103.7	117.2	126.2	148.4	15.0	104.7	56.6	44.7
New Zealand	2.4	2.1	1.7	4.5	2.8	2.7	0.3	3.3	2.5	0.8
Republic of Korea	24.1	14.9	13.3	31.3	33.0	46.5	4.7	26.5	27.5	45.7
Switzerland	3.2	2.8	2.4	3.6	3.9	2.8	0.3	2.8	2.8	2.8
United States of America	40.6	43.3	51.0	58.1	55.7	56.9	5.8	61.2	63.7	
<b>Sub-Total: Other bilaterals</b>	<b>233.7</b>	<b>247.2</b>	<b>255.7</b>	<b>349.4</b>	<b>365.5</b>	<b>408.8</b>	<b>41.3</b>	<b>343.0</b>	<b>264.4</b>	<b>144.2</b>
<b>NGOs (core funds)</b>	<b>49.4</b>	<b>44.7</b>	<b>50.2</b>	<b>77.7</b>	<b>104.9</b>	<b>103.3</b>	<b>10.4</b>	<b>112.4</b>	<b>51.8</b>	<b>28.5</b>
<b>GRAND TOTAL</b>	<b>555.0</b>	<b>610.0</b>	<b>713.2</b>	<b>777.5</b>	<b>955.6</b>	<b>989.5</b>	<b>100</b>	<b>1,085.9</b>	<b>744.7</b>	<b>488.1</b>

These changes are highlighted in Chart Five, below, which shows the actual and percentage changes in development partner disbursements between 2008 and 2009. Thirteen of twenty-two development partners increased their support while nine reduced their support, notably the ADB, which fast-tracked a number of program loans in 2008 to support the national response to the global financial crisis.

**Chart Five. Annual changes in development partner disbursements (2008 – 2009)**



Other partners reducing their disbursements in 2009 included Australia, which expect disbursements to increase once again in 2010 and France and Canada, who reformulated their country programmes in 2009. The broad upward trend in development assistance therefore masks some significant fluctuation in the disbursement profiles of individual development partners. While this can normally be accommodated in the context of sector and project management it does highlight the issue of predictability.

The 2008 Paris Declaration monitoring survey recorded aggregate 2007 disbursements at close to 100% of the scheduled figure. Table Four, below, shows that aggregate predictability remains at a commendably high rate; 93% of resources indicated as available for 2009 at the December 2008 CDCF meeting were disbursed but there is considerable diversity in some individual development partner delivery rates. For 2010, a year in which only estimated disbursements are available, the figure is 114%, which is again an encouraging sign of increased predictability but the individual divergence is perhaps even greater than for 2009. This is possibly a consequence of the 2010 MYIFF figure being more remote and therefore difficult to forecast in 2008, together with the disbursement figures themselves still being projections. The Royal Government recognises the difficulty that development partners face in providing accurate figures and in reforming their internal systems to be able to provide robust medium-term projections. Disbursement can also be unpredictable for reasons beyond the control of each development partner. The Royal Government therefore acknowledges the efforts most development partners have made to provide information to the CDCF and to maintain up-dated records on disbursements and projections through the Cambodia ODA Database; in the context of public financial management reform, the Government will continue to work constructively with all partners so that a clearer picture of medium-term resource availability can be obtained and used to inform the national budget process and sector planning exercises.

**Table Four. Predictability in aid disbursements/projections**

Development Partner	2009			2010		
	CDCF MYIFF	Actual disbursement	% delivered	CDCF MYIFF	Projected disbursement	Projected % delivery
UN (core)	81.8	74.8	91%	64.5	95.8	148%
World Bank	99.1	60.4	61%	84.1	122.7	146%
ADB	101.6	89.5	88%	162.7	124.5	77%
Global Fund	-	47.9	-	-	41.2	-
Belgium	-	3.1	-	-	1.2	-
Denmark	13.0	14.2	109%	15.0	16.4	109%
Finland	5.7	6.3	110%	1.5	1.6	110%
France	25.8	25.5	99%	25.3	26.7	106%
Germany	38.4	32.5	85%	19.5	60.2	308%
Spain	11.2	16.8	150%	7.8	22.9	292%
Sweden	29.8	22.9	77%	33.5	26.7	80%
UK	43.6	32.5	75%	45.0	31.6	70%
EC	46.2	50.3	109%	61.6	57.8	94%
Australia	31.5	23.7	75%	48.4	36.3	75%
Canada	7.7	13.1	169%	5.3	7.9	150%
China	256.8	114.7	45%	162.2	100.2	62%
Japan	112.3	148.4	132%	112.3	104.7	93%
New Zealand	3.6	2.7	76%	3.6	3.3	91%
Rep of Korea	41.0	46.5	113%	-	26.5	-
Switzerland	2.5	2.8	112%	2.5	2.8	112%
USA	-	56.9	-	-	61.2	-
<b>Total</b>	<b>951.5</b>	<b>885.5</b>	<b>93%</b>	<b>854.8</b>	<b>972.2</b>	<b>114%</b>

### **Sectoral trends and resource allocation**

The NSDP provides guidance on how resources are to be allocated in order to attain national development goals identified in the Rectangular Strategy – Phase II. Table Five, below, shows trends in development assistance over the period 2004 to 2010. It can be seen that significant funds continue to be allocated to the social sectors, with the combined share of health, HIV/AIDS and education support representing more than 30% of all assistance in 2009. The agriculture sector received an increase in support of nearly 60% compared to the 2008 figure, rising to USD 91.2 million, largely due to increased support from the ADB and European Commission. The transportation sector also recorded a significant increase as a result of support from Japan and China, with support increasing by 20% in 2009. Health (due to increased support from the Global Fund and the UK) and the Information & Communication sectors (with support from South Korea) were also amongst the sectors that witnessed significant increases in external support (see Annexes 3.1 and 3.2 for a comparison of development partner support to sectors in 2008 and 2009).

Sectors that appear to have witnessed a reduction in support include the Banking and Business Services sector, reduced by more than USD 31 million (70%) and the Manufacturing, Mining & Trade sector, where support was cut by two-thirds, a reduction of USD 17.4 million from the 2008 level. In the case of the Banking and Business Services sector, this is explained, in part, by accelerated ADB disbursements in 2008 as a contribution to the national effort to mitigate the impact of the global economic crisis. Support to both of these sectors is expected to increase once again in 2010 in support of the development of the private sector.

**Table Five. Development cooperation disbursements by sector (2004-2010)**

Sector	2004	2005	2006	2007	2008		2009 (est)		2010 (proj)	
	USD m	%	USD m	%	USD m	%				
<b>Social sectors</b>										
Health	95.9	110.3	109.0	107.1	139.9	14.6	165.3	16.7	165.3	15.2
HIV/AIDS		25.4	35.4	42.0	51.3	5.4	45.0	4.5	60.5	5.6
Education	73.4	69.3	79.7	89.9	105.4	11.0	103.3	10.4	101.1	9.3
<b>sub-total</b>	<b>169.3</b>	<b>205</b>	<b>224.1</b>	<b>239</b>	<b>296.6</b>	<b>31</b>	<b>313.6</b>	<b>31.6</b>	<b>169.3</b>	<b>205</b>
<b>Economic sectors</b>										
Agriculture	45.3	33.8	123.5	46.4	57.4	6.0	91.2	9.2	95.9	8.8
Manufacturing, Mining Trade	7.0	10.0	24.2	16.4	25.7	2.7	8.3	0.8	14.4	1.3
Rural Development	60.5	50.0	49.9	68.0	62.4	6.5	61.7	6.2	61.5	5.7
Banking and Business Services		12.7	9.7	15.9	44.9	4.7	13.2	1.3	58.5	5.4
Urban Planning & Management		3.9	0.9	2.0	4.5	0.5	5.7	0.6	3.9	0.4
<b>sub-total</b>	<b>112.8</b>	<b>110.4</b>	<b>208.2</b>	<b>148.7</b>	<b>194.9</b>	<b>20.4</b>	<b>180.1</b>	<b>18.1</b>	<b>112.8</b>	<b>110.4</b>
<b>Infrastructure sectors</b>										
Information and Comms	1.2	0.9	9.9	26.3	7.2	0.8	26.6	2.7	2.8	0.3
Energy, Power & Electricity	12.9	15.6	13.7	12.7	32.8	3.4	30.6	3.1	61.7	5.7
Transportation	82.0	73.9	54.8	97.4	143.0	15.0	172.0	17.4	177.9	16.4
Water and Sanitation	4.9	24.5	18.2	17.2	19.3	2.0	21.5	2.2	31.2	2.9
<b>sub-total</b>	<b>101</b>	<b>114.9</b>	<b>96.6</b>	<b>153.6</b>	<b>202.3</b>	<b>21.2</b>	<b>250.7</b>	<b>25.4</b>	<b>101</b>	<b>114.9</b>
<b>Services &amp; cross-sectoral</b>										
Community and Social Welfare	43.7	35.3	38.5	56.9	49.2	5.2	53.2	5.4	26.2	2.4
Culture & Arts	18.4	4.8	14.1	7.3	10.1	1.1	8.6	0.9	8.8	0.8
Environment & Conservation	19.6	12.3	14.6	8.3	7.6	0.8	12.9	1.3	11.1	1.0
Gender		2.6	3.8	5.7	5.7	0.6	6.1	0.6	8.1	0.7
Governance & Administration	46.8	67.3	96.8	108.0	120.1	12.6	109.6	11.1	141.2	13.0
Tourism		1.2	2.5	2.9	4.9	0.5	5.8	0.6	2.8	0.3
Budget & BoP Support		11.1	0.0	36.0	22.4	2.3	19.9	2.0	28.1	2.6
Emergency & Food Aid		3.0	0.4	1.9	2.6	0.3	4.2	0.4	1.5	0.1
<b>sub-total</b>	<b>128.5</b>	<b>137.6</b>	<b>170.7</b>	<b>227</b>	<b>222.6</b>	<b>23.4</b>	<b>220.3</b>	<b>22.3</b>	<b>128.5</b>	<b>137.6</b>
Other	43.9	42.0	13.4	9.2	38.9	4.1	24.8	2.5	23.5	2.2
<b>Total</b>	<b>555.4</b>	<b>610.0</b>	<b>713.2</b>	<b>777.5</b>	<b>955.6</b>	<b>100</b>	<b>989.5</b>	<b>100</b>	<b>1,085.9</b>	<b>100</b>

Comparing 2004 and 2005, the years immediately before the establishment of the NSDP, with 2008 and 2009, it can be seen that health, education, gender, governance, HIV/AIDS and, principally, infrastructure, are the main beneficiaries of aid reallocations, with agriculture appearing poised to receive increased support in the future. Conversely, it is surprising to see flat trends in water and sanitation and rural development (which includes the rural water sub-sector), as well as in the environment & conservation sector (which now appears likely to receive more support to finance climate change adaptation).

**Chart Six. Trends in sector support (USD million)**

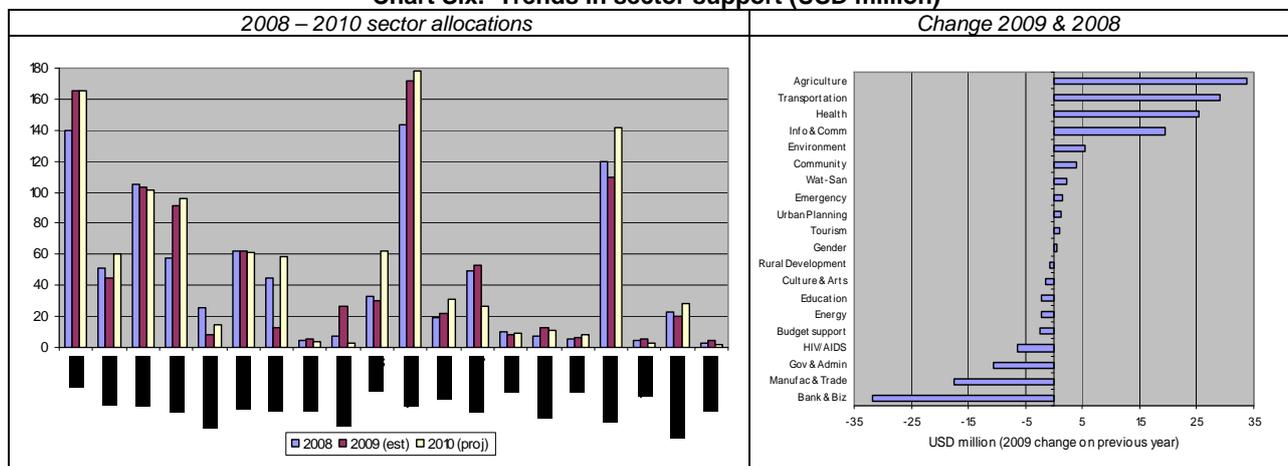


Chart Six, above, provides two further snapshot views of trends in sectoral assistance. The left-hand chart shows increases in support to transport, which has replaced health (excluding HIV/AIDS) as the largest aid-supported sector in 2009, as well as to agriculture. Fluctuations in support to other sectors, for example Banking & Business Services, Governance, HIV/AIDS, can also be observed. The right-hand chart demonstrates that, while aggregate aid levels were of broadly the same order in 2008 and 2009, there was significant variance with about the half sectors receiving increases of up to USD 33 million while the remainder experienced declining levels of support of up to a similar amount.

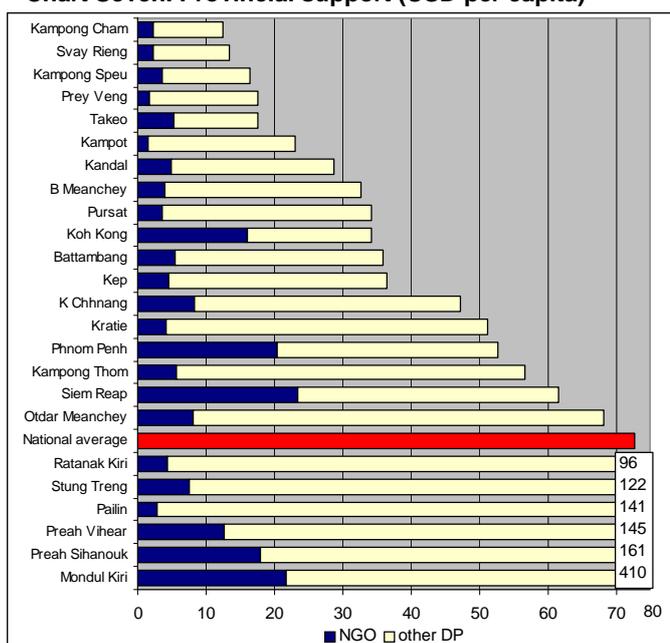
**Table Six. Provincial support (USD million)**

Province	2007	2008	2009 (est)	2010 (proj)
Phnom Penh	69.1	75.0	71.1	59.9
Siem Reap	43.2	55.4	56.1	58.6
Battambang	21.2	29.9	37.5	36.7
Kandal	53.8	77.9	37.0	45.9
Kampong Thom	16.6	20.6	36.4	43.4
Preah Sihanouk	41.6	25.3	36.3	43.6
Mondulkiri	13.8	18.7	25.4	19.1
Preah Vihear	4.8	8.8	25.1	27.7
Kampong Chhnang	8.8	18.5	22.6	26.6
Banteay Meanchey	15.9	21.6	22.5	27.0
Other provinces	164.7	190.6	214.5	291.9
Nationwide	324.0	413.2	404.9	405.4
<b>Total</b>	<b>777.5</b>	<b>955.6</b>	<b>989.5</b>	<b>1,085.9</b>

### Support to the provinces

Recent efforts to validate information in the Cambodia ODA Database enable improved analysis of trends in support to provinces. 60% of total development assistance was disbursed at provincial level in 2009. As shown in Table Six, development assistance to the ten largest beneficiary provinces in 2009 amounted to USD 370 million, compared to the USD 215 million received by the other fourteen provinces combined. Phnom Penh received the highest amount of development assistance (USD 71 million) followed by Siem Reap (USD 56 million) and Battambang (USD 37.5 million). Koh Kong and Kep provinces received the lowest levels of support amounting to USD 4 million and USD 1 million respectively.

**Chart Seven. Provincial support (USD per capita)**



Source: Population data from NIS (MoP)

On a per capita basis, the findings of the 2008 Aid Effectiveness Report, which identified Mondulkiri and Preah Sihanouk provinces as the largest aid recipients, were re-confirmed. Chart Seven reveals that, in 2009, Mondulkiri continued to receive the highest amount of USD 410 per capita, whereas Preah Sihanouk received USD 161 p.c. and Preah Vihear received USD 145 p.c. and Pailin received similar amount of USD 141 p.c. Phnom Penh received USD 53 p.c. marginally below the national average of USD 73 p.c. while Kampong Cham and Svay Rieng received between USD 10-15 per person, findings that are also consistent with analysis in previous years.

Chart Seven also benefits from markedly improved data collection on NGOs, which permits their significant support in many provinces, especially to Siem Reap, Phnom Penh and Mondulkiri, to be highlighted. Overall the data shows that provincial development is well supported by development partners, particularly through the Commune Sangkat Fund. Annex 3.7 provides further detail on provincial support.

### NGO support to national development

As previously noted, the establishment of the on-line NGO Database in 2009 has permitted improved data gathering and validation of NGO activities, which represent an important contribution to the national development effort. CRDB/CDC-led efforts to gather data and to improve its coverage and quality are continuing, but to-date 269 local and international NGOs and 16 government ministries/agencies have received training in data-entry and use of the NGO Database. This training has also provided an opportunity for dialogue on the importance of sharing information for coordination and accountability purposes.

The role of NGOs in service provision and in policy advocacy continues to be significant. Improved data sharing in 2009, building on foundations laid in earlier years, has allowed their valuable contribution to be

more fully understood. Data on NGOs shows that their disbursement of core funds, i.e. excluding the 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, levels that are similar to those recorded in 2007 and 2008. The sizeable NGO contributions to Siem Reap, Phnom Penh and Monduliri were noted on the previous page but the NGO relative contributions are also significant in other provinces, for example providing 34% of assistance in Takeo; 31% in Koh Kong; 26% in Preah Vihear; and 24% in Kompong Speu. NGO activities continue to be focused primarily on the social sectors. Table Seven, below, shows that NGOs' own resources were directed firstly to health, accounting for more than 30% of core support in 2008 and 2009, followed by community & social welfare, and education. NGOs reported a slight decrease in core fund disbursement in 2009, contributing USD 103 million to national development activities compared to USD 104.7 million in 2008.

**Table Seven. NGO core funding to sectors and delegated cooperation 2008-2009 (USD 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
<b>Total</b>	<b>104.7</b>	<b>100</b>	<b>100.2</b>	<b>100</b>	<b>204.9</b>	<b>100</b>	<b>103.1</b>	<b>100</b>	<b>100.2</b>	<b>100</b>	<b>203.3</b>	<b>100</b>

In addition to mobilising their own resources, NGOs also 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. Table Seven, above, shows that the main areas of activity are broadly consistent with those sectors to which NGO core funds are channeled, especially with regard to health care, which is supplemented by significant development partner support to HIV/AIDS- and to other community and welfare services. Development partners also complement NGO activities in education, agriculture and rural development, providing the greater share of NGO-delivered funds to these latter two sectors. The area in which development partners delegate their second largest share of funds is in governance; 20% of all aid, whereas NGOs themselves direct only a small fraction of their own funds to this activity. Similarly, NGOs implement a range of activities related to private sector development in the manufacturing & trade sector, although this is 100%-funded by development partners.

NGOs have made significant contributions to the country's development; the table above shows that they provide or manage approximately 20% of all aid to Cambodia. Much work still needs to be done to make progress towards the objectives of the Rectangular Strategy – Phase II and the Cambodia Millennium Development Goals; the partnership between the Royal Government and all of its development partners must embrace the diversity and complementary roles that each can bring to the national development effort. As part of NGO efforts to promote accountability in their own working practices an innovative Voluntary Certification System for NGOs is now in its third year of existence. This builds on the 2005 Code of Ethics for NGOs in Cambodia and the Minimum Standards which were developed by the NGO sector, led by the Cooperation Committee for Cambodia. By the end of 2009, 38 NGOs had applied to participate and 16 have received a certification.

### ***Aid effectiveness principles – evidence of implementation***

The Royal Government's Harmonisation, Alignment and Results Action Plan enters the last year of its five year implementation period in 2010. Similarly, the global commitments represented in the Paris Declaration on Aid Effectiveness are expected to have been met by the end of 2010. This section of the Aid Effectiveness Report therefore provides an opportunity to review the five themes – ownership, alignment, harmonisation, managing for development results and mutual accountability – that provide the guiding principles for both the H-A-R Action Plan and the Paris Declaration. The evidence in this section draws from a range of sources, notably the preliminary findings of the Global Evaluation of the Paris Declaration, for which Cambodia will contribute a country case study, but also the reports that have been made available by TWGs for GDCC

meetings, the aid effectiveness JMIs, a review of the Multi-Donor Support Program (the primary source of external support to CRDB/CDC) and other policy work and speeches.

### **Ownership**

Ownership is represented in the Paris Declaration, perhaps rather narrowly, in the production and implementation of a coherent and comprehensive national development plan. Emerging evidence from the Evaluation of the Paris Declaration in Cambodia takes a more nuanced view and supports previous analysis that emphasises the link between leadership and capacity development as the most significant route towards meaningful and sustainable ownership. It is these mutually reinforcing underlying factors that ultimately determine ownership and the possibility to achieve results.

There have been many positive examples of emerging leadership and capacity initiatives at sector level, often manifested in the production of a coherent and comprehensive sector strategy that provides the basis for all partners to engage in and support a Government-led effort. The Strategy for Agriculture & Water (SAW) has finalised 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 priorities 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.

Other agencies of the Royal Government, including the National AIDS Authority, MAFF (Forestry & Environment; and Fisheries TWGs) have focused on capacity development. The Ministry of Education, Youth and Sport, and its associated Education TWG, provides perhaps the most instructive example of complementary efforts to develop a sector plan and simultaneously develop capacity through a partnership-based approach. Highlights are summarised in the adjacent box and present a useful model for other Ministries/agencies and TWGs.

At a national level, in 2009 the Ministry of Planning continued efforts to develop and implement its Ministry of Planning Strategic Plan (MPSP) but this has proven to be a difficult initiative to negotiate with development partners and there are still resource availability concerns. The Ministry of Planning also led the exercise to prepare the NSDP Update, extending its validity to 2013 to correspond with the implementation period of the Rectangular Strategy – Phase II. The NSDP Update provides indicative resourcing requirements and guidance on strengthening partnership, repeating the recommendation of the 2006 NSDP to adopt a programmatic approach that integrates central reforms, based on mutual accountability and results.

An additional and important on-going initiative that is associated with this work has been to integrate the budget, Public Investment Programme (PIP) and aid management processes, principally to support the Medium-Term Expenditure Framework (MTEF) exercise and associated sector planning processes. A Government Steering Committee with permanent members from the four main central agencies, MoP, MEF, SNEC and CRDB has been established to take forward this integration work. MEF otherwise reported satisfactory progress in implementing the PFM reform, including to support the Budget Strategic Plan exercise with line ministries that will complement their longer-term strategies and reinforce capacity and ownership through a more integrated approach to resourcing.

With regard to CRDB/CDC's own capacity as the Government's mandated aid management focal point, an independent review in the second half of 2009 was commissioned by CRDB and the partners that provide support. This review identified encouraging progress but also some remaining challenges that are pertinent to the broader development effectiveness effort.

#### **Promoting ownership and results in the Education sector**

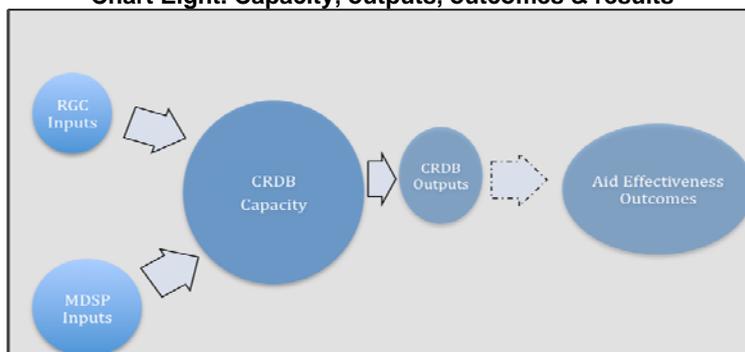
The education sector provides an instructive example of how a programme-based approach can be applied to support sector objectives and can advance aid effectiveness commitments in relevant and results-based manner.

1. Ownership, Managing for Results and Mutual Accountability are the focus of the Sector Plan (ESP), and joint sector review process.
2. The AOP provides a process for integrating all resources as part of PFM reform and for dialogue on allocations in priority areas.
3. Improved information management achieved through customisation and use of ODA Database for sector PIP and AOP/BSP.
4. A sector survey was conducted on aid effectiveness, strengthening monitoring capacity and mutual accountability.
5. Results of survey are encouraging: and show effort to coordinate TC and increase aid flows through the sector programme.
6. 11 of 22 DPs are part of the PBA but use of MoEYS systems is low - MOEYS encourages pooled funding that uses RGC systems.
7. There are many PIUs and no coordinated analytical work, indicating scope for MoEYS to strengthen systems and to coordinate the research agenda via the Education Congress.
8. A sector aid effectiveness strategy action plan has been produced as a result of empirical evidence & dialogue with partners.

The MoEYS emphasises the need to strengthen capacity, especially in PFM and provincial management, in order to achieve full ownership while development partners are encouraged to focus on sector-wide capacity support and to pool funds in support of the ESP.

The review adopted an approach that was based on CRDB's own Capacity Development Strategy, which was developed in 2006. It considered the mobilisation of inputs and the initiatives that have been taken to strengthen the organisation as well as the skills of individual staff. The methodology, presented figuratively below, emphasised (by use of bold arrows) that an organisation can have significant influence over the *outputs* for which it is responsible. Achieving *outcomes*, however, more often relies on a favourable external environment and the cooperation of other agents (in this case other Ministries/agencies of the Royal Government and development partners). This is an important insight into the wider experience of implementing the aid effectiveness agenda in Cambodia and highlights the need for all parties to work together by focusing on outcome-level results.

**Chart Eight. Capacity, outputs, outcomes & results**



source. MDSP Independent Review, November 2009

The final report found that 'CRDB has been able to broaden ownership and awareness of the aid effectiveness agenda across government [so that] CRDB is, today, substantially able to fulfill its mandate as the national aid coordination focal point'. There are, however, some remaining challenges for CRDB to consolidate this progress both within and outside the organisation. This is highlighted in the findings of the Paris Declaration Evaluation, which implies that, while the language of the Paris Declaration has been well internalised, there is still some way to go before it can be said to have profoundly changed the way in which Government and development partners manage development cooperation. This has implications for how future capacity development initiatives should be prepared and managed and resonates with recent global research that has found:

"The 'aid relationship' has an in-built tendency to undermine ownership. Imbalances in resources, power and knowledge can give a feeling of mastery to the helper and dependence to the helped. It can confer 'expert' status on the helper that may be justified in terms of technical knowledge but is usually unwarranted in terms of process skills or country knowledge. It is likely to focus attention on gaps and weaknesses that can further add to the feelings of dependence and disempowerment of country actors. External initiatives quickly become "owned" by development agencies."

ECDPM, 'Capacity, Change & Performance' (2008, p3)

This provides a timely reminder that the Paris Declaration, and the localised H-A-R Action Plan, need to be approached as a long-term multi-stakeholder reform that requires a sustained, incremental and patient approach to changing deep-seated behaviours on both sides. Previous Aid Effectiveness Reports produced by the Royal Government have therefore endorsed the global findings that change requires high-level leadership and consistent effort over the longer-term. Understanding the dynamics of ownership, leadership and capacity have therefore been amongst the significant findings based on the experience of H-A-R Action Plan implementation and were discussed in a policy speech by the Secretary General, CRDB/CDC, at a OECD-supported meeting in Berlin in June 2009. This speech highlighted the need to reflect and become better at learning from the experience of implementation so that a more adaptive, relevant and contextualised approach to aid effectiveness work could be identified, thereby positioning Government and development partners to harness the synergies between capacity, leadership and ownership. Cambodia will continue to present this approach to the international community as a successor agreement to the Paris Declaration is negotiated.

### **Alignment**

Alignment addresses two objectives: (i) ensuring that support is consistent with Government development priorities; and (ii) to strengthen and use national budgeting, implementation and reporting systems. Supporting national priorities implies the provision of predictable levels of finance, which has been reported as markedly improved at an aggregate level over the last five years (page 11). The NSDP Update, which is based on reports and inputs from all sectors, includes ensuring a response to the economic downturn amongst its explicit objectives. Drawing on evidence of economic performance and challenges to meet social

sector targets, the NSDP Update has therefore provided an opportunity to identify how resources can be mobilised and reallocated to address on-going constraints as well as to respond to new challenges that have emerged in the intervening period since the NSDP was first published.

**Alignment of climate change support**

- The Cambodia Climate Change Alliance (CCCA) was established under Ministry of Environment leadership in February 2010.
- It will coordinate support for implementation of the National Climate Change Strategy and the National Adaptation Programme of Actions (NAPA).
- The CCCA identifies the opportunity to build partnerships and align with national priorities identified during the First National Forum on Climate Change in October 2009.
- UNDP will manage a USD 8.9m trust fund supported by European Union, DANIDA & SIDA, ensuring a harmonised approach that other DPs are encouraged to join.
- The trust fund will support capacity, information management, networking & communications, and technology transfer.
- The Senior Minister & Minister of Environment, Chairman of the National Climate Change Committee, called the CCCA "a new turning point in addressing climate change, moving from a stand-alone project-based approach toward a more comprehensive programmatic approach."

As discussed at the beginning of this chapter, the NSDP Update has identified new priorities for funding and has also recommended a re-allocation of resources to promote both efficiency and results. One area that is to receive increased support is the environment, in particular to help manage adaptation to climate change. The Ministry of Environment, which convenes the National Climate Change Committee and coordinates the National Climate Change Strategy, has moved decisively to ensure effective alignment of external assistance by establishing the Cambodia Climate Change Alliance.

When considering broader alignment issues, it is opportune to review progress in alignment since 2006, the first year of H-A-R Action Plan and NSDP implementation. Chart Nine, below, adopts the methodology used in previous Aid Effectiveness Reports to assess alignment based on relative funding shares implied by the NSDP. Based on the funding profile implied by the 2008 NSDP Mid-Term Review (see page 8), the total annual resource requirement for NSDP implementation is USD 840 million. Given that aid levels in 2009 were USD 990 million, this suggests that there is sufficient scope, even without taking account of domestic resource allocations, to ensure a fully-

financed NSDP. It is also the case that General Budget Support would ordinarily permit additional flexibility as this can be used to cover sector funding shortfalls that are otherwise unmet by domestic and project resources. In 2009 levels of Budget Support through the PRGO facility recovered slightly from the 2008 reduction, reaching USD 36 million, although this is still less than 5% of total disbursements.

Chart Nine shows both absolute funding requirements and disbursements (left-hand column chart) and relative funding allocations (right-hand scatter plot). It highlights funding patterns of development partners that are broadly consistent with the analysis conducted in previous years. Governance & administration, together with Health & HIV/AIDS, have always appeared in the 'above the line' sectors that are well supported by development partners, perhaps reflecting the importance placed on these issues at the global level as well as in Cambodia. Education, rural development and agriculture are amongst the important sectors that consistently receive funding below the level requested in the NSDP. Transportation is the most notable change in the funding profile, having for long been considered under-funded it has now secured resources that are consistent, even slightly above, the profile implied by the 2008 NSDP Mid-term Review.

**Chart Nine. Alignment of development cooperation to the NSDP (2009)**

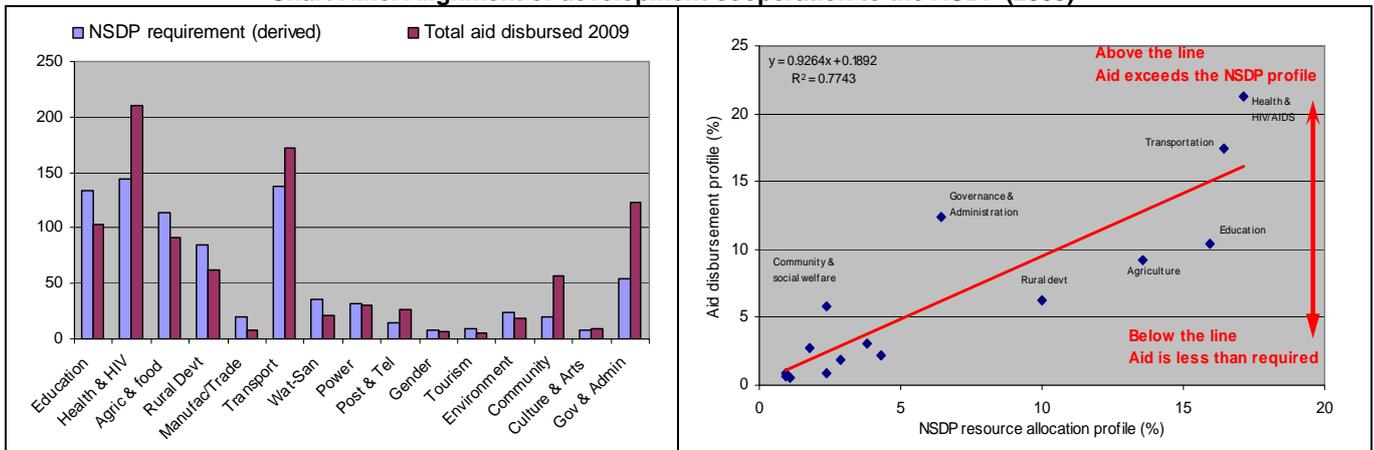
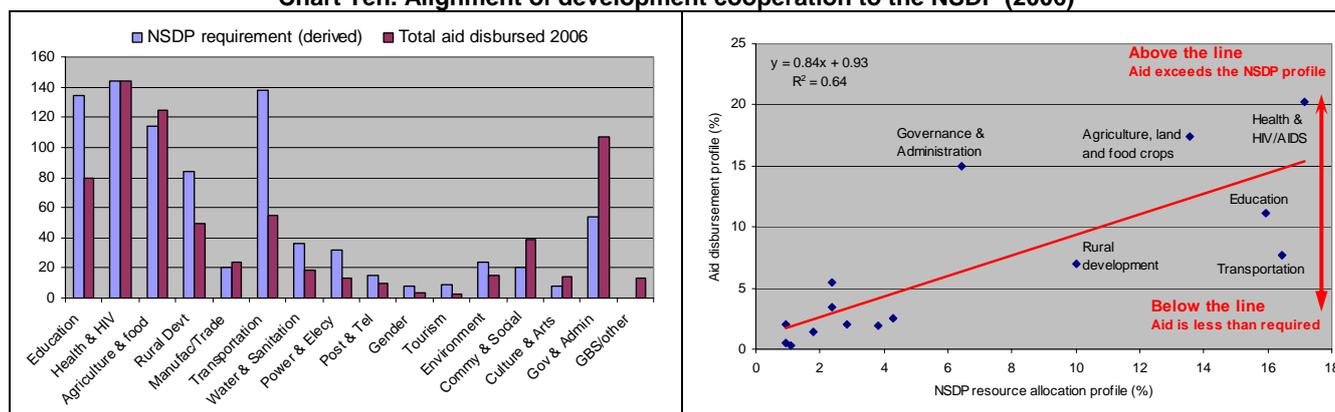


Chart Ten, below, reproduced from the 2008 Aid Effectiveness Report, provides a useful benchmark for assessing progress in aligning aid to national development priorities. A glance at the scatter plot graphs on the right-hand side of the charts for 2006 and 2009 show that alignment is now significantly improved; this is confirmed by the diagnostics reported in the upper left-hand corner of the scatter plots, which show the statistical relationship between NSDP resource requirements and actual aid disbursements in 2009 to be

highly significant, although the pattern of relative over/under-funding appears to persist (note that funding to agriculture in 2006 was exceptionally high as a result of an IMF debt relief operation).

**Chart Ten. Alignment of development cooperation to the NSDP (2006)**



Progress on alignment with national priorities, in both aggregate and relative terms, is unambiguously positive, although there is still continued scope for improvement. With regard to the second alignment objective, the use of Government systems, there has perhaps been more limited progress. The international community has recognised this as a more widespread problem and therefore included the aspiration that “donors agree to use country systems as the first option” in the 2008 Accra Agenda for Action. It has proven to be quite difficult, however, for both Government and its development partners to systematically move towards meeting this commitment as pressures to implement programmes, which were perhaps even more acute in 2009, often dominated over the recognised need to place more attention and effort on capacity and systems development in a manner that is consistent with the longer-term reform objectives of the Government.

In the medium-term, the integration and implementation of the core reform programmes, namely PFM, PAR and D&D, will serve as an entry point for development partners. Decentralisation has provided a long-running model for channeling funds through a Government system, the Commune-Sangkat Fund, and the introduction of the Budget Strategic Plans in line ministries through the PFM reform is also expected to yield significant dividends in the longer-term. Meanwhile there are important sector examples, notably in Education and Health, that show how capacity and leadership can provide the enabling environment that encourages development partners to work with and strengthen national systems. By making use of the CRDB/CDC-supported Cambodia ODA Database, the Education sector has also been able to make use of efforts to provide quality information to that system to prepare their PIP, resulting in significant efficiency gains as well as improved planning functions for both Government and its partners. This is perhaps a straightforward example that can be adopted by other line ministries and TWGs. Elsewhere the European Union partners are sponsoring useful work that will promote an improved insight into what the use of country systems in Cambodia will entail, an initiative that has been incorporated into the workplan of the Partnership & Harmonisation TWG in order to ensure that a basis for follow-up is provided.

**Aid modalities**

Alignment with national priorities and with Government systems is determined to a significant extent by the modalities through which aid is channeled. Some modalities, for example budget support, make use of and consolidate national systems, while others, for example stand alone projects, can in some cases undermine core capacity and distract attention away from outcome-level results. This has informed the Royal Government's position that, while all forms of aid are acceptable subject to negotiation with Government on a case-by-case basis, the longer-term preference is towards managing aid, whatever the modality, through a programme-based approach with a longer-term view to receiving pooled funding or budget support. Budget support levels currently remain relatively low in Cambodia, however, accounting for 3.6% of aid in 2009, similar to the share in previous years.

The dialogue on aid modalities in Cambodia has also been focused on the use of technical cooperation and its contribution to capacity development. Previous analysis has informed the production of a Guideline on Technical Cooperation and, while more effort is required to introduce these guidelines into sector and project work, this is being taken into account by CAR in its work on capacity development in the context of Public Administration Reform. Chart Eleven, overleaf, shows funding trends by modality for the period 2004 – 2010 while Table Eight provides detailed figures for development partners in each of the last three years. Noteworthy is the declining share of technical cooperation, which is a result not of falling TC levels but of increased support to investment-related projects.

Chart Eleven. Disbursements by type of assistance (USD million)

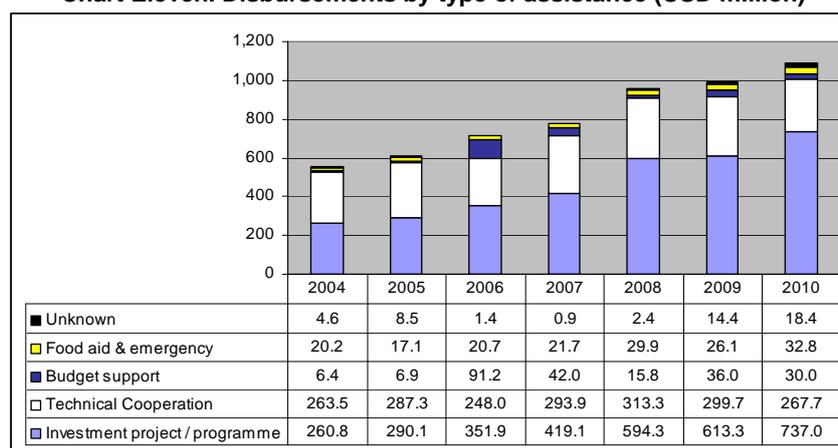


Table Eight. Development partner disbursements by type of assistance 2007-2009 (USD million)

	2007							2008							2009						
	FTC	ITC	IPA	GBS	Food aid	other	Total	FTC	ITC	IPA	GBS	Food aid	other	Total	FTC	ITC	IPA	GBS	Food aid	other	Total
<b>UN, IFI &amp; multilateral</b>																					
FAO	0.3	0.1			1.0		1.3	1.2				0.8		2.0	3.2				1.3	0.1	4.6
IFAD			4.1					0.5		4.1				4.1			4.3				4.3
ILO	6.0		0.1				6.1	2.1		0.2				2.2	3.1						3.1
UNAIDS	0.4						0.4								0.6						0.6
UNCOHCHR																					
UNDP	11.3				1.4		12.7	9.7				0.9		10.6	10.6				0.4		11.0
UNESCO	1.7						1.7	2.2						2.2	3.0						3.0
UNFPA	2.9						2.9	6.9						6.9	5.7		0.3				6.0
UNICEF	12.1						12.1		12.2					12.2		12.2					12.2
UNIDO	0.5						0.5	0.3						0.3	0.2						0.2
UNODC																					
WFP	15.9						15.9					23.2		23.2					23.4		23.4
WHO	0.6						0.6	4.5						4.5	6.3						6.3
World Bank	1.0	3.9	27.0	15.5			47.5	1.5	7.2	35.3				44.0	1.8	7.7	37.6	13.3			60.4
IMF	0.9						0.9														
ADB	1.9	6.1	61.4				69.4	1.9	29.3	114.5				145.7	2.4	7.2	79.9				89.5
Global Fund	21.1						21.1			38.6				38.6			47.9				47.9
<b>Sub-total</b>	<b>27.5</b>	<b>22.1</b>	<b>113.7</b>	<b>15.5</b>	<b>18.3</b>	<b>0.0</b>	<b>197.1</b>	<b>30.4</b>	<b>48.6</b>	<b>192.6</b>	<b>0.0</b>	<b>24.9</b>	<b>0.0</b>	<b>296.6</b>	<b>37.0</b>	<b>27.1</b>	<b>170.0</b>	<b>13.3</b>	<b>25.1</b>	<b>0.1</b>	<b>272.6</b>
<b>European Union</b>																					
Belgium	6.2		0.5			0.4	7.1	2.8						2.8	3.1						3.1
Denmark			9.8				9.8			10.1				10.1			14.2				14.2
Finland	5.2						5.2	6.6						6.6	6.3						6.3
France	2.8	0.9	18.0				21.7	7.7	1.5	22.1				31.3	8.2	1.3	16.0				25.5
Germany	10.6		9.2		0.9		20.7	26.8		6.1			3.5	36.5	24.8		7.7				32.5
Netherlands	0.1						0.1	0.3												0.7	0.7
Spain	2.5				0.7	0.4	3.5	4.7				1.5	0.4	6.5	6.3				0.3	10.1	16.8
Sweden	0.9	16.4					17.3	0.7	15.1					15.9	0.6	22.2					22.9
UK	12.8	0.1	10.3	0.5			23.7	18.6		7.8	3.2			29.6	27.6		4.4	0.5			32.5
EC	31.6			12.4			44.0	34.8	0.2	5.2	6.9			47.2	44.1			2.8		3.5	50.3
<b>Sub-Total</b>	<b>72.8</b>	<b>17.4</b>	<b>47.8</b>	<b>12.9</b>	<b>1.6</b>	<b>0.8</b>	<b>153.2</b>	<b>103.0</b>	<b>16.8</b>	<b>51.4</b>	<b>10.1</b>	<b>5.0</b>	<b>2.4</b>	<b>188.6</b>	<b>121.0</b>	<b>23.6</b>	<b>42.3</b>	<b>3.3</b>	<b>0.3</b>	<b>14.3</b>	<b>204.8</b>
<b>Other bilaterals</b>																					
Australia	27.1	2.5					29.6	27.0	2.1	2.1				31.2	16.1	1.9	5.7				23.7
Canada	12.6						12.6	17.2						17.2	13.1						13.1
China			92.4				92.4			95.4				95.4		2.9	111.8				114.7
Japan	37.2	0.1	66.3	13.6			117.2	34.8	19.5	66.3	5.7			126.2	49.1	0.5	79.5	19.4			148.4
New Zealand	2.0	2.5					4.5	1.4	1.4					2.8	1.5	1.2					2.7
Rep of Korea	23.7	0.6	6.9				31.3	6.0	3.9	23.1				33.0	3.7	1.1	41.7				46.5
Switzerland	0.4	0.5	2.7				3.6	0.9	0.3	2.8				3.9			2.8				2.8
USA			58.1				58.1			55.7				55.7			56.9				56.9
<b>Sub-Total</b>	<b>103.0</b>	<b>6.2</b>	<b>226.5</b>	<b>13.6</b>			<b>349.4</b>	<b>87.4</b>	<b>27.1</b>	<b>245.3</b>	<b>5.7</b>			<b>365.5</b>	<b>83.5</b>	<b>7.5</b>	<b>298.3</b>	<b>19.4</b>		<b>0.0</b>	<b>408.8</b>
<b>NGO (core)</b>	<b>32.1</b>	<b>12.8</b>	<b>31.0</b>		<b>1.8</b>	<b>0.1</b>	<b>77.7</b>			<b>104.9</b>				<b>104.9</b>			<b>102.6</b>			<b>0.7</b>	<b>103.3</b>
<b>TOTAL</b>	<b>235.3</b>	<b>58.6</b>	<b>419.1</b>	<b>42.0</b>	<b>21.7</b>	<b>0.9</b>	<b>777.5</b>	<b>220.8</b>	<b>92.5</b>	<b>594.3</b>	<b>15.8</b>	<b>29.9</b>	<b>2.4</b>	<b>955.6</b>	<b>241.5</b>	<b>58.2</b>	<b>613.3</b>	<b>36.0</b>	<b>26.1</b>	<b>14.4</b>	<b>989.5</b>

Given that increased investment in a number of sectors, including transportation (which has received increased support in 2009), is a priority identified in the NSDP, this provides further encouraging evidence of increased development partner alignment with national priorities. Investment projects amounted to USD 613 million in 2009, equivalent to 62% of total aid compared to USD 300 million (30% of the total) provided in technical cooperation. While the levels of technical cooperation have been relatively stable since 2006, its share has declined from approximately half of all aid to less than one third in the last four years. Food aid and emergency support declined in 2009 to USD 26 million in spite of the September 2009 Typhoon Ketsana, although emergency and food aid support is often provided in the context of other project and community support.

Analysis of development partner profiles show markedly little change as each partner delivers support based on its mandate, corporate policy and approach to managing risk associated with Government systems; the machinery of project delivery still dominates. This highlights that for Cambodia to make progress, sector reforms and programming of external assistance must be aligned with the core reforms and progress in advancing the budget/plan/aid integration agenda. As the discussion on harmonisation and fragmentation emphasises (see Harmonisation section below), aid effectiveness must be seen in this wider context of core reforms, not as a stand-alone initiative or a parallel initiative.

### **Harmonisation**

This third principle of aid effectiveness relates principally to the efforts of development partners to collaborate more closely together, standardising their approaches and complementing each other's work. Fragmentation of aid – many development partners supporting many projects in many sectors - has been a long-standing issue in Cambodia and has often dominated the discussion on harmonisation and the drive towards greater efficiency and focus. Both the 2007 and 2008 Aid Effectiveness Reports presented analysis that remains relevant to the discussion (Annex 3.2 also provides a snapshot view of 2009 development partner support). The 2008 Aid Effectiveness Report therefore communicated the intention of the Royal Government to consider a division of labour initiative, which has been heavily touted in global fora as a potential response to fragmentation, duplication and inefficiency. In December 2008, immediately after the dialogue at the Second CDCF meeting that included a discussion on division of labour, the Government convened a high-level meeting to consider the possibility of a division of labour exercise as one amongst many potential responses to the problem of fragmentation. There was no support for conducting such an exercise, first, because it was not seen as a preferred approach to addressing aid fragmentation and, second, because other more pressing aid effectiveness priorities in respective sectors were considered to take precedence.

This led to further reflection and some informal discussion with development partners, which resulted in a position that programme-based approaches were a preferred measure to respond to the aid fragmentation challenge. They had the additional advantage that they could simultaneously address other objectives such as strengthening Government ownership, initiating improved approaches to capacity development, integrating core reforms and promoting partnership-based results-focused approaches, for example through the joint reviews employed in the education and health sectors. In a June 2009 speech to global policy-makers in Berlin, assembled to consider the future of the Paris Declaration post-2010, the Secretary General of CRDB/CDC offered the following view on division of labour in Cambodia:

"From a government perspective, we prefer to manage diversity, as opposed to reducing the number of development partners. In the context of the current economic crisis, it is rational to maximise the number of funding sources, while at sector level there is an appreciation of the different competencies that each donor can bring. During our recent priority-setting exercise it is important to note that not a single Government ministry identified division of labour as a preferred approach.

From a development partner perspective, we must also consider the viability of a division of labour exercise. The development banks appear to play a 'lender of the last resort' role and their presence across many sectors is based on corporate positioning as well as Government appreciation of their resources and expertise.

- The UN agencies – all 23 of them – together with the vertical funds such as GAVI and the Global Fund, have a specialised mandate emphasising technical support that places limitations on efforts to divide their labour.
- Many of the larger bilateral donors have a strategic approach that guides their interest in working with multiple sectors. Their interest in division of labour is not thought to be emphatic.
- Many of the smaller bilateral donors are already delegating much of their cooperation through multilateral agencies.
- When this is taken into account, we are mainly left with EU bilateral agencies. The EU is actively addressing its own division of labour and the Government is supportive of this initiative, taking a leadership role where appropriate.

Whatever the technical challenges to implementing a division of labour exercise – and they are formidable – we are of the view that the practical and political realities make such an approach unrealistic and unlikely to reap any significant dividend in the Cambodia context."

The challenge of aid fragmentation, and the preference to use programme-based approaches as a response, is also closely linked to the need to strengthen and use country systems, which was discussed in the previous section. Cambodia is not an isolated case in experiencing difficulties in promoting more harmonised support that can coordinate amongst partners in order to strengthen and then use country systems. A recent global case study, summarised in the box below, highlighted how fragmented aid is both a cause and a response to weak national systems that result in a 'viscous circle'. It is likely the case that few modern education or health systems in developed countries were designed or managed based on a model of multiple funding sources using a project modality that by-passed national systems.

**Fragmentation and country systems**

A recent global study highlighted how "The deployment of uncoordinated project aid in many sectors has contributed and continues to contribute towards a vicious circle, compounding poor sector governance. Weak sector policies, institutions and service delivery systems have resulted in donors employing projects with their own systems and behaving bilaterally, in an uncoordinated manner. This behaviour actively undermines sector policies, institutions and service delivery systems, which in turn reinforces the original donor response to the situation."

The methodological framework used by this study employs a results-chain approach to demonstrate how aid modalities and fragmentation can be transformed to become more supportive of efforts to develop and use country systems in order to attain sustainable improvements in service delivery.

source. ODI (2008) 'Good Governance, Aid Modalities & Poverty Reduction'

The Paris Declaration Evaluation in Cambodia highlighted additional harmonisation challenges for development partners. It shows that there has been little progress in the harmonisation of basic reporting tools and monitoring and evaluation procedures. This is perhaps indicative of deeper inertia at a global level, which perhaps must provide the spur towards harmonisation of these procedures at a global level as a precursor to their being applied at country level.

Other global initiatives, such as a global division of labour, in which development partners coordinate their assistance to ensure coherent and adequate support across countries has perhaps also not progressed as foreseen. Its emphasis on an orderly withdrawal or increase in support to partner countries has perhaps not materialized and development partners continue to withdraw or re-programme their support without sufficient reference to the gaps that are left unfilled after their departure.

There are other touchstones that provide anecdotal evidence of the difficulties encountered in donor harmonisation. The Paris Declaration noted that the mission and study burden on partner countries was often significant, an observation that resonates

in Cambodia, especially with sectors such as health. Yet efforts to promote forward planning and coordination of missions have not made any notable progress and the Mission Database, a system provided by CRDB/CDC to encourage coordination and harmonisation, is presently only used by a very small handful of development partners. This highlights the difficulty of promoting behaviour change linked to the motivation and incentive to share information and work more closely with others. It has been acknowledged that for development partners much of their observed 'fatigue' is a result of seemingly-endless 'coordination meetings' but if relatively trivial initiatives such mission planning through a common system prove to be so difficult then we need to rein in our expectations of implementing other more complex and ambitious reforms.

### Managing for development results

The effort to promote the results focus of sector work has been significantly promoted in the period since the 2008 Evaluation of the H-A-R Action Plan and the Second CDCF meeting. The decision to focus on fewer but more relevant actions, linked to results, is beginning to yield dividends and is increasingly rooted in routine sector work (see the discussion in the Ownership section of this chapter). Ministries and agencies, assigned to lead this process and to negotiate within TWGs to identify a set of results-focused aid effectiveness activities have shown great enthusiasm for this approach, broadly identifying three main themes in which to focus their effectiveness efforts:

- i) *PBAs and sector strategies*: 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 & Water, Food Security and Nutrition, and

Mine Action. Education & Health TWGs made progress in translating medium-term strategies into integrated Annual Operational Plans in line with on-going Public Financial Management reforms.

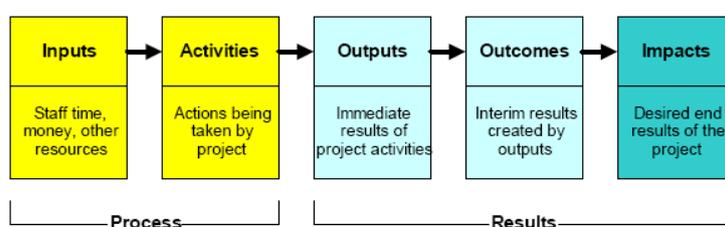
- ii) *Capacity Development*: Six TWGs (Education, Health, Land, Forestry and Environment, Fisheries and PAR) identified a capacity-related priority, often related to monitoring and evaluation, strengthening national systems or to financial management. The Fisheries TWG has made continued progress in establishing national systems, including for monitoring of programme implementation. Many TWGs reported encouraging progress and improved use of technical cooperation and advisory support.

**Table Nine. Ministry and TWG Aid Effectiveness JMIs**

Ministry/agency TWG	Aid effectiveness priority action	Progress	Challenges
Ministry of Planning PPR TWG	1. Preparing NSDP update 2009-2013 and AOP 2009 to implement MPSP 2. Development of partnership principles	1. NSDP Update 2009-2013 prepared AOP 2009 constrained by resources. 2. Principles have been prepared.	Resource availability
CRDB/CDC P&H TWG	Facilitate all RGC agencies and TWGs in implementing priorities identified in this matrix	On-going; progress reported to GDCC meetings.	
<i>NSDP Social Sector Aid Effectiveness Priorities</i>			
MoEYS Education TWG	1. Implementation of a joint annual review and development AOP 2. Coordination of capacity initiatives	1. Education Congress 2009 and March 2010. AOP 2010 process improved. 2. Medium-term CD plans prepared; dialogue on sector CD plan on-going.	
Ministry of Health Health TWG	1. Implement AOP 2009 and 3YRP 2. Implement IHP work plan	1. Progress being made. 2. Progress being made.	
NAA (all members) HIV/AIDS TWG	Functional Task Analysis of National HIV/AIDS Response Mechanism (FTA)	Analysis has been conducted.	Resources required to implement findings.
CARD FSN TWG	1. Mapping on existing Social Safety Nets 2. Disseminating FSN Strategic Framework	1. Report on Cambodia Safety Net Review 2. Officially launched and disseminated.	Application at sub-national level.
<i>NSDP Economic Sector Aid Effectiveness Priorities</i>			
MAFF/MoWRAM A&W TWG	1. Finalizing, integrating and prioritizing the five programs under the SAW 2. Develop a common framework and mechanism to implement SAW programs including PFM and administrative reforms	1. Five programs completed. 2. Pending approval of the harmonized SAW programs by the two relevant ministries	
MLMUPC Land TWG	1. Improve PBA in LAMDP: LASSP, LMSSP, LDSSP 2. Partnership principles 3. Preparation of comprehensive land policy 4. Prepare M&E for land sector	1. LASSP implemented since 2007; LMSSP under development; LDSSP drafted. 2. Partnership Principles signed. 3. On-going. 4. On-going	
MAFF F&E TWG	1. Capacity for Planning, Implementing, and strengthening M&E system within FA 2. Develop and implement NFP	1. Work plan 2010; M&E office set up. 2. NFP completed and pending approval.	Resources
MAFF Fisheries TWG	1. Improve M&E system 2. Performance indicators in FiA Action Plan	1. TA provided to support M&E unit. 2. Fully achieved.	
CMAA Mine Action TWG	Support the development of a Mine Action Strategic Plan (MASP)	Drafting in final stage and submission for approval expected Q2 of 2010.	
Private Sector TWG	1. Progress in legal agenda to improve enabling environment 2. Adopt 3 year rolling plan for trade related reforms (trade SWAp)	1. A list of laws and regulation is being shared with the private sector. 2. Steps have been taken that will form basis for preparing the plan.	
<i>NSDP Infrastructure Sector Aid Effectiveness Priorities</i>			
MPWT Infrastructure TWG	Continued mapping of support as a basis for enhanced information sharing and coordination	Progress is being made; focal points have been nominated for each sub-sector.	Participation of focal points & info sharing.
MRD RWSSH TWG	Developing sector strategies and plans to lay the foundation for more solid PBA or SWAp	Progress well advanced.	Ownership of agenda; capacity constraints
<i>NSDP Governance and cross-sector aid effectiveness priorities</i>			
CAR/OCM PAR TWG	RGC capacity development strategy		
CLJR LJR TWG	Secretariat strengthening (GSCLJR) for coordination and monitoring function	Progress is reportedly being made.	Capacity, link to wider reforms, DP engagement
Ministry of Interior D&D TWG	Finalize D&D National Program	Approval expected 1st half 2010	
MEF PFM TWG	PFM RP implementation	Progress being made in consolidating Platform I and implementing Platform II.	
MOWA Gender TWG	1. Roundtables on MoWA 5 year Strategy 2. Developing PBA for gender mainstreaming	1. Neary Rattanak 3 endorsed. 2. Draft PBA road map prepared.	

- iii) *Mutual Accountability*: The Planning and Land TWGs explicitly identified the use of partnership principles. Actions employed by others, including Health, Mine Action, RWSSH, LJR, D&D and Gender TWGs, emphasize the need to strengthen ownership through partnership principles and joint consultations. Most TWGs reported improved consultation processes with stakeholders and development partners in information sharing.

Progress in the case of each Ministry and TWG is reported in Table Nine, on the previous page. Additional training on results-based management, provided by CRDB/CDC in November 2009, increased awareness of the results chain approach and consequently strengthened the ability of TWGs to incorporate these approaches into their work. This provides an illustrative example of how aid effectiveness work should be used to introduce and embed new approaches in routine work, not be regarded as additional or separate.



By mapping the aid effectiveness activities of the Ministries, development partners and projects to the results chain (above) it can be seen that progress is required at each stage in order to be able to effectively manage processes to produce results. With regard to project support, it is also useful in helping to identify the plausible contribution of project-related actions to both aid effectiveness and wider sector results. The Paris Declaration Evaluation in Cambodia case study has found that most projects are not yet managed in a way that can show their contribution to outcomes while inputs are not always sufficiently well identified with a sector strategy, or included in the AOP/BSP exercise, to ensure that they are managed as part of a sector results-based approach. Complementary initiatives at sector level (such as the joint review in the Education and Health sectors), the PFM reform, Public Administration Reform and the review of the NSDP monitoring framework provide useful opportunities to strengthen systems and capacities at every stage of the results chain in order to link project outputs and sector outcomes.

### ***Mutual accountability***

The last of the five aid effectiveness, mutual accountability is closely linked to managing for development results as it refers to a process in which all parties come together to jointly review their performance, ideally framed in terms of development outcomes. The 'Making Partnerships Effective in Cambodia' initiative, which was commissioned by CRDB/CDC in 2009, responds to the observation that in many cases not all partners are sufficiently engaged in these joint processes to enable them to participate or to make an effective contribution (or to be held accountable). Based on equity, transparency and mutual benefit as the 3 drivers of effective partnering, this initiative aims to build trust and common understanding, which is seen as a precondition for facilitating wider change in aid delivery practices. Work will continue into 2010 to address the behavioural aspects of partnering, complementing the technical aspects that have been addressed through the introduction of the aid effectiveness JMIs and the provision of complementary training.

Civil society organisations have also embarked on new initiatives, inspired by the Accra Agenda for Action commitment of donors and partner countries to "deepen our engagement with civil society organisations". This recognises CSOs as important development actors, as highlighted earlier in this chapter, requiring that their participation be effective but also that their actions be accountable. In 2009 and 2010 a series of sub-national and national consultations have taken place to provide civil society members with an opportunity to articulate their views on what aid effectiveness means for civil society organisations in Cambodia as well as to consider how they can meet their own commitments to improved accountability. This process will continue and is expected to strengthen the participation and contribution of CSOs in TWGs and other coordination mechanisms.

The Accra Agenda for Action also identified an increased role for Parliaments. Preliminary findings of the recent study by the Inter-Parliamentary Union identify areas in which there is potential to improve information sharing in aid management, as well as other public finance-related issues.

Mutual accountability, including in implementing the JMIs, is considered in greater detail in the next chapter.

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## 4. Mutual Accountability for Results

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The Joint Monitoring Indicators (JMIs) address both the 'managing for development results' and the 'mutual accountability' principles of aid effectiveness. While the technical challenges of the first three principles – ownership, alignment and harmonisation – featured strongly in the early years of H-A-R Action Plan implementation, these last two principles have arguably emerged since early 2009 as central concerns for the development partnership. Both are associated with supporting positive dynamics that allow for leadership and capacity to emerge in a partnership that is based on mutual understanding and a shared objective to achieve outcome-level results. 'Managing for development results' and 'mutual accountability' are therefore at the very heart of the partnership agenda as we seek more collective and effective action to achieve national development goals in an accountable and sustainable manner.

As noted in earlier chapters, the JMI process and format has been extensively revised during the period since the second CDCF meeting. Based on consultations between the Royal Government and development partners it was agreed that the JMIs need to be more rooted in sector-level efforts to develop, implement and monitor outcome-level results. The JMIs themselves needed to have a higher-level of ambition – at the outcome level - and be consistent in monitoring agreed priority outputs that directly contribute to the achievement of these outcomes. Based on training provided in November 2009 and a meeting between Government TWG Chairs, secretariats and development partner TWG facilitators in February 2010, the JMI principles were reviewed and a revised outcome-based format was presented for discussion and agreement.

### ***JMI principles***

The principles for maintaining the mutual characteristics of the JMIs were therefore re-emphasised and summarised as:

- i) JMIs are a compact between Government and development partners based on mutual accountability principles and *joint* actions that are required to realise NSDP and sector objectives.
- ii) JMIs are to place emphasis on key activities-outputs-results in the context of sector strategies/plans, core reforms, the NSDP and the Rectangular Strategy-Phase II.
- iii) JMIs are not intended to be additional to established work processes and monitoring arrangements; they are to be derived from routine Government or TWG planning and monitoring systems.
- iv) "Joint" can mean either jointly identified, formulated, implemented, monitored – based on the principles of partnership and mutual accountability.
- v) TWGs are encouraged to dialogue on progress in implementing the entire sector plan, and to report on JMI progress in routine GDCC reports.

### ***Progress in implementation***

Based on the inputs provided by TWGs to CRDB/CDC during March 2010 and the interim reports submitted for the meetings of the GDCC during 2009, it is possible to detail the progress that has been made in the implementation of the JMIs that were endorsed by the Royal Government and its development partners at the Second CDCF meeting on 4-5 December 2008. Similarly, challenges that have been encountered can be identified for further discussion in the TWGs and, for priority issues, to enable further dialogue and a brokering of consensus at the Third CDCF meeting.

Overall, progress has been encouraging, although 2009, characterised by the global financial crisis and the slow-down of the Cambodian economy, was a challenging year. JMI implementation demonstrates that the development partnership remains strong in the face of these challenges. The National Strategic Development Plan (NSDP) was updated (JMI 1), and extended to 2013, to ensure policy consistency in the Royal Government's efforts to realise the goals and visions set forth in the Rectangular Strategy for Growth, Employment, Equity and Effectiveness Phase II, which stands as the Socio-Economic Policy Agenda of the Political Platform of the Royal Government during the Fourth Legislature 2008-2013. National aid effectiveness priorities (JMI 2), originally identified in the H-A-R Action Plan, have been adapted to address sector aid effectiveness priorities and specificities in a manner that is relevant and reinforcing of established plans and strategies.

### **NSDP Social Sector Priorities**

In the social sector, most of the jointly agreed targets have been met, spearheaded by the progress made in the education and health sectors. Progressively increasing the promotion rates for primary education (JMI 3) and reducing maternal and new-born mortality rates (JMI 4) will perhaps remain the overarching priorities, while reducing HIV/AIDS transmission from mother to child (JMI 5) and mitigating the impact of the risk of rising food prices through safety net provision (JMI 6) are given considerable emphasis.

### **NSDP Economic Sector Priorities**

In the economic sector, progress is less even. The development of the five programs under the Strategy on Agriculture and Water (SAW) has just been completed and is now awaiting approval by the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Water Resources and Meteorology, before implementation can start (JMI 7). Targets for the Forestry and Environment TWG (JMI 9) have not been met satisfactorily, especially those on community forestry and protected areas. In other areas, such as land reform (JMI 8), fisheries (JMI 10) and de-mining (JMI 11), effort has obviously been made by the ministry and agencies to achieve their targets, although there is still a long way to go before progress is completely achieved. In all the cases, challenges apparently stemmed from the complex technicalities involved in the tasks and resources required for implementation. To support private-sector development (JMI 12) the process of preparing a priority list of relevant laws is taking time but progress towards establishing a Trade SWAp has been good with a sub-decree on the establishment of institutional arrangements issued by the Royal Government.

### **NSDP Infrastructure Sector Priorities**

In the infrastructure sector, progress is being made on a number of activities, while for the others (road maintenance mechanism) slow progress is being caused by lengthy procedural steps (JMI 13). The development of a Rural Water Supply and Sanitation Strategy (JMI 14) is moving toward adoption in mid-2010 which following approval will help bring clean water and sanitation to the population, especially the socially vulnerable groups, in the rural areas.

### **NSDP Governance and Cross-Sectoral Priorities**

Progress in the governance and cross-sectoral priorities can be viewed with satisfaction. Foremost is the submission of the Anti-Corruption Law to the Parliament for passage and subsequent approval (JMI 17). Although it will take some time before the institutions required to vigorously implement the Law are established, measures taken by the government's Anti-Corruption Unit show that combating corruption is being sustained on all fronts. In public administration reform (JMI 15), the work on human resource management and capacity development is moving forward with the finalization of the necessary policy framework that is expected for approval soon; with the termination of the PMG/MBPI, other accountability and performance instruments such as SOA are being looked into to ensure improved quality and delivery of public services. In the legal and judicial reform (JMI 16), though not yet submitted for passage (except the Penal Code), the drafting of the remaining fundamental laws have reach final stage while work to improve the functioning of the legal system is still going on. Progress is also being made in such areas as D&D reform (JMI 18), PFM (JMI 19) and gender (JMI 20). These included the completion of the national program to support the D&D reform, which is expected to be approved this year to support a more deepened D&D reform; the implementation of the Public Financial Management Reform Program, built on its first stage success, is focusing implementation on this second stage of improved financial accountability.

Though progress has been consistent, the observation made in the 2008 Aid Effectiveness Report that "we need to move faster" again accurately portrays the long road that lies ahead. There is encouraging evidence of "moving faster" but also that the partnership is beginning to "work smarter". The reformulation of the JMIs revealed a strong demand at sector level for adopting results-based working practices and, as identified in the Paris Declaration Evaluation country case study, although these practices are in their relative infancy, they offer significant potential for informing working practices at sector level over and above their stated aid effectiveness benefits. More detailed information on JMI implementation is provided in Annex Five.

### ***Understanding and applying the concept of mutual accountability***

The original Paris Declaration document included in its definition of mutual accountability a commitment to strengthening the parliamentary role in the national development strategy and budget process, and to ensuring participatory approaches in formulating, implementing and reviewing national strategies. Development partners were to commit to provide timely information on aid flows while joint reviews of progress were limited to reviewing progress in implementing the commitments of the Paris Declaration itself. The Accra Agenda for Action extended this definition in 2008 to deepen partnerships with civil society, to extend commitments to donor transparency and to strengthen joint results-based reviews of progress.

Practices that demonstrate path dependency are important features of the development context in Cambodia, however, and efforts that pre-date the Paris Declaration, such as use of the JMIs, efforts to build sector partnerships and the commitment to central reforms of the public service, remain relevant in shaping the direction of partnership. The Paris Declaration Evaluation observed some path dependency for development partners too, especially in the continued tension between, on one side, their commitment to decentralising authority, harmonising procedures and using country systems, and, on the other, the continued organisational and individual incentive to prioritise donor reporting and accountability above harmonisation amongst donors or to support country-level initiatives.

Understanding these incentives and the motivations of each individual and agency engaged in a multi-stakeholder partnership, whether in a PBA, a delegated cooperation arrangement or a TWG, is an important first step towards identifying how diverse interests can be managed to create value. At the 'Making Partnerships Effective' meeting in September 2009, the CRDB/CDC Secretary General emphasised that, "Partnerships matter. We need to spend time at senior level thinking about how to make them effective. We must acknowledge our differences and recognise the diversity of interests, reporting lines, accountabilities and cultures...and then work hard to find a common interest and a shared set of objectives".

### Summary of JMI implementation status

Based on the text provided above, Table Ten, below, offers a snapshot view of all twenty JMIs and the progress recorded in their implementation. Further elaboration is provided in Annex Five.

**Table Ten. Summary of JMI implementation status**

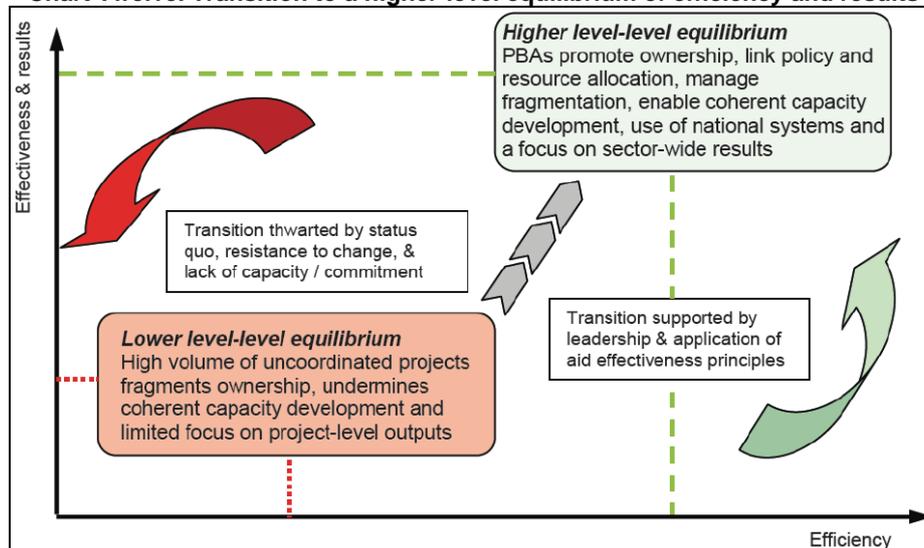
Target	Action Needed	Summary Progress
<b>Implementation and Management of the National Strategic Development Plan (NSDP)</b>		
1. Implement MPSP with coordinated EDP support	1. MOP prepares a 2009 operational plan to implement MPSP, DPs provide mapping of existing support. 2. Complete institutional capacity assessment and need/gap identification.	1. AOP prepared. 2. Assessment finalised.
2. Aid effectiveness priorities implemented	For RGC & DPs to negotiate a limited number of practical and verifiable actions that are based on the H-A-R Action Plan and represent a consensus for joint action	Aid Effectiveness JMI endorsed by GDCC, April 2009.
<b>NSDP Social Sector Priorities</b>		
3. Increase promotion rate of students in primary education	1. Reducing the percentage of incomplete schools. 2. Deploying newly trained teachers to under-staffed schools in remote areas. 3. Revising grade promotion regulation with DP support.	1. Reduced to 18% as targeted. 2. 95% deployed. 3. Revised and issued.
4. Increase % of deliveries attended by skilled health personnel to 50% in 2009	1. Recruitment and deployment of midwives for 79 health centres that do not have one 2. Provide salary incentives to midwives 3. Increase RGC & DP funds to RMNCH in 2009 (reflect in AOP)	1. Target met. 2. Under consideration. 3. AOP reflected steady increase.
5. Enhanced response to HIV/AIDS epidemic	Increase the percentage of HIV-positive pregnant women who received anti-retrovirals from 30% to 40% by 2009 to reduce the risk of mother-to-child transmission	32.3% in 2009.
6. Mitigate high food price impact/promote food security	Develop a plan and integrated monitoring system to mitigate the impact of high food prices on household food security.	On-going; partially met.
<b>NSDP Economic Sector Priorities</b>		
7. Implementation the Strategy for A&W	1. Complete design of National Programs & implementation mechanisms (June 2009) 2. SAW provides strategic framework for all RGC and DP activities in A&W sector. 3. Improve coordination - update project database on TWGAW website twice each year	1. Approval expected soon. 2. To be implemented after approval. 3. Done.
8. Implement the legal framework established by the Land Law	1. Indigenous communal land - Sub-decree on registration adopted in 2009 2. Interim protective measures to safeguard communal land are evaluated 3. Land tenure - Housing Policy that includes the provision of secure land tenure 4. Land management - Spatial Planning Policy clarifies hierarchy of land use planning	1. Sub-decreed adopted. 2. Policy adopted. 3. Draft being put for comments. 4. Draft in consultation stage.
9. Implement legal framework & finalise National Forest Program	1. Implement laws & regulations (including public log of Concessions) 2. At least 1,000km of forestland boundary and 2 protected areas demarcated 3. At least 100 Community Forestry Sites & 10 Community Protected Areas approved. 4. Finalise National Forest Program and start implementation by end 2009.	1. 72 ELCs on website. 2. Partially met. 3. Progress slow. 4. Submitted for RGC approval.
10. Improve livelihoods of rural communities in sub-national plans	1. 80% of FiA Annual Plan funded by through SWAp by end of 2009. 2. CamCode agreed, approved and operational by end of 2009.	1. Progress being made. 2. Drafting in final stage.
11. Casualty rate drops by 50 per year & 7-10% decrease of contaminated mine/ERW land	1. Ensure implementation, monitoring & evaluation of existing mine action/ERW policies 2. Development of a coherent 10 years National Strategy for Mine Action. 3. Implement Strategic Budget Plan 2009-11 to reduce fragmentation/overlap 4. Improve the quality and accuracy of data available on DP contributions	1. Progress being made. 2. On-going; in final stage. 3. On-going. 4. On-going.
12. Enabling environment for the development of the private sector	1. Progress in the legal agenda to improve the private sector enabling environment 2. Adopt 3-year rolling plan of trade-related reforms ("Trade SWAP"), with a detailed inter-ministerial action plan, monitoring framework, and harmonised DP support	1. Progress being made. 2. Work in progress – sub-decree drafted for approval.
<b>NSDP Infrastructure Sector Priorities</b>		
13. Sustainability and Safety of Road Network	1. Improve Road Maintenance Mechanism 2. Overload Control Program. 3. Implementation of Initial Road Safety Awareness Program	1. Slow progress (procedure delay) 2. Progress being made. 3. Progress being made.
14. Access to /quality of water supply, esp. rural	1. Develop and adopt a rural water supply and sanitation (RWSS) strategy and budget that is based on the official RWSS policy and aligned to NSDP	To be completed May 2010.
<b>NSDP Governance and Cross-Sectoral Priorities</b>		
15. Improving the quality and delivery of public services	1. Deployment of performance and accountability instruments through implementation of Special Operating Agencies, Priority Mission Groups, and MBPI. 2. Approval of policies relating to HRM, HRD, Deployment and Capacity Development.	1. New pay-performance instrument currently under review 2. Drafts pending approval
16. Establish a legal & judicial system that protects individual rights	1. Complete the drafting and approval of the four remaining fundamental Laws 2. Implement framework for legal & judicial reform - court registers in 4 model courts 3. Training of professionals to improve supply of judicial services & court functioning	1. On-going. 2. Progress being made. 3. On-going.
17. Combat corruption	1. After approval of the Penal Code, finalise and approve the draft Anti-Corruption Law 2. Prepare an implementation plan for the implementation of the Anti-Corruption Law. 3. Disseminate information on reported cases on corruption on semi-annual basis. 4. Develop a clear policy framework on Access to Information.	1. Target met. Other measures being taken including education and dissemination.
18. Strategic Framework for D&D reforms	1. New provincial & district councils established as per Organic Laws (end 2009). 2. National program & modalities for D&D approved, & resourced completed (end 2009).	1. Target met. 2. RGC approval anticipated soon.
19. PFM Stage 2 (improving accountability)	Continue implementing the PFM RP by implementing & monitoring stage 2 consolidated action plan; & achieve milestones and indicators under stage 2 monitoring framework.	PFM RP stage 2.
20. Adopt & implement laws against all forms of violence and exploitation of women and children	1. Sub-decree on administrative decision on domestic violence revised/adopted and a working group established for training and implementation of the Sub-decree. 2. Develop framework for monitoring Law on Human Trafficking & Sexual Exploitation. 3. National Action Plan to combat violence against women revised and adopted. 4. Policy and legislation on labour migration reviewed.	1. Target not yet met. 2. Progress being made. 3. Target met. 4. Work in progress to reach target.

## 5. Policy Directions in Aid Management

Aid flows have continued to increase despite global pressures on resource availability. This has buffered support to Government programmes and, importantly, has allowed the attention of Government and development partners to remain focused on ensuring the effective management of these aid resources. The previous chapters have identified many encouraging signs of progress, especially at sector level, but it is also clear that continued effort to promote behaviour change, improved systems and more collaborative ways of working are required to consolidate progress.

The findings of the Paris Declaration Evaluation, supported by other qualitative evidence, demonstrate how challenging it can be to reform aid practices. A status quo, established since the early 1990s and characterised by risk aversity has been identified in previous analytical work and persists today. This identifies a path dependence in aid relations that requires concerted effort and political will on the part of both Government and development partners to develop new organisational and individual capacities and to transform aid management practices. As the diagram below implies, long-standing efforts have attempted to move aid practices in Cambodia to a higher-level equilibrium of efficiency and results. But an entrenched status quo acts as a brake and an impeding factor that thwarts movement along the transition path. This implies, first, that effort needs to be sustained over the long-term to secure a decisive break from the past and, second, that more learning needs to take place to ensure that policies are adapted to be both relevant, in terms of understanding current realities, and effective, in terms of facilitating change.

**Chart Twelve. Transition to a higher-level equilibrium of efficiency and results**



The findings of the analytical work that informed the 'Making Partnerships Effective' initiative are consistent with global evidence, demonstrating that technical approaches are an incomplete and inadequate response to the challenge of improving aid practices. Framing the problem in technical terms is a misdiagnosis. The approach that is perhaps most relevant now is not to think exclusively about the future desired state or to focus too much on the planning/transition phase. Instead, the key is to understand more about our present state. Cambodia's aid relations may be described as a low-level but stable equilibrium; efforts to move to a higher-level state embodied in the rational model proposed by the Paris Declaration have proven to be both challenging and inadequate. Where change has been implemented there may be a tendency to revert back to the previous lower-level state once momentum dissipates, rather than to maintain the transition to an improved condition. Understanding why this low-level equilibrium is so stable – the powers of the status quo – will help to understand how change can be promoted and implemented more effectively. Efforts to understand the nature of this status quo are particularly important for the global process if the successor to the Paris Declaration is to enjoy a greater degree of compliance, and realisation of results, than its predecessor.

### **Continuity and change in aid management policy**

In Cambodia there has been a concerted effort to understand the bottlenecks and obstacles that must be addressed. A good deal of reflection and learning has enabled the Government to adapt global norms and prioritise actions that are more suited to the national context, principally through the introduction of fewer but more relevant aid effectiveness measures at sector level using the JMIs. The policy direction has

therefore evolved and is now highly adapted from, while still rooted in, the objectives identified in the 2006 Harmonisation, Alignment and Results Action Plan and the 2005 Paris Declaration on Aid Effectiveness.

There is still a good deal of continuity in policy development, however, beginning with the 2007 Aid Effectiveness Report. This report made four main recommendations: (i) to apply aid effectiveness principles at sector level using the 2007 Guideline on the Role and Functioning of TWGs; (ii) to observe and respect the mandate of CRDB/CDC in coordinating resource mobilisation and aid coordination; (iii) to strengthen capacity development practices of development partners; and (iv) promoting mutual accountability through the use of joint reviews, JMLs and efforts to strengthen partnership dynamics.

The 2008 Aid Effectiveness Report developed these recommendations based on evidence that included the Evaluation of the H-A-R Action Plan, the second round of Paris Declaration monitoring, and the studies on technical cooperation and capacity development that informed the production of the Guideline on Technical Cooperation. Evidence from sector reporting, the TWG Network, the core reforms and the NSDP Mid-Term Review permitted reconciliation of the available evidence. Important modifications to policy were introduced on the basis of this evidence, mainly to recognise and respond to issues of partnership, divergent interests, and the inherent power imbalances that characterise the aid relationship. This informed the "Making Partnerships Effective" initiative as well as the focus on fewer actions at sector level, to develop capacity and to focus on outcome-level results.

The recommendations in this report are therefore based on previous analysis and recognition of the need to continue translating and contextualising the normative goals of the Paris Declaration into a framework that is relevant and focused on delivering results in Cambodia. Aid effectiveness practices must recognise the realities of aid relations, introducing initiatives that are supportive of these realities while also supporting their reform over the longer-term. This can be achieved by recognising the principle of ownership, and the role of capacity development, as the key that facilitates access to all other aid effectiveness initiatives. In operational terms the starting point is perhaps to focus on the synergy between leadership and capacity that was identified during the 2008 Evaluation of the H-A-R Action Plan and emphasised once again in the 2010 Paris Declaration Evaluation: strong leadership appears to be the principal factor in ensuring that national capacity is established, while emerging capacity can provide the confidence and expertise that is required for leaders to associate themselves with the sector programmes and reforms that ultimately drive development results.

### ***Making effective use of programme-based approaches***

Recognising the realities of the fragmented aid environment and capacity constraints, the use of programme-based approaches has emerged as the Government's preferred means of strengthening ownership, promoting more coherent and sustainable capacity development, and integrating all resources in a comprehensive medium-term sector strategy that is aligned with national development goals. Programme-based approaches (PBAs) therefore have a much higher level of ambition in Cambodia than the single harmonisation objective originally identified in the Paris Declaration. They are associated in the diagram on the previous page with helping to understand and bring order to the current environment and then to support an eventual transition to a desired higher end-state.

A PBA has been defined by the OECD/DAC for the purposes of monitoring the Paris Declaration. It includes: (a) country leadership over a programme; (b) use of a sector strategy and budget framework; and (c) mechanisms for coordination and use of national systems. Cambodia has taken a more flexible approach, emphasising that PBAs are about a *process of change* as well as an observed end-state. As noted earlier, the focus on the end-point is useful to establish consensus on objectives but should not detract from the opportunity that PBA formulation provides to examine partnership issues, agree the specific benefits that a PBA can bring (beyond the level of rhetoric) and, most important, to build consensus on how the status quo can be reformed to the mutual benefits of all stakeholders. PBAs can therefore be used to simultaneously strengthen an understanding of current conditions, to agree final objectives and to define the transition path.

There are relatively mature and instructive examples of PBA development in the health and education sectors. Acknowledging the role of sector-specific conditions is important but it is also useful to consider some of their principal generic features so that other sectors and programmes that intend to pursue a PBA, including agriculture and water, mine action, trade, PPR, RWSSH and gender, as well as in newly formed programmes such as climate change adaptation, can understand, adapt and sequence their work in a manner that is appropriate to their needs and capacities.

Important features of PBAs can be identified to support their development and Government leadership, as well as to guide individual development partners in how they may adapt current modalities to participate effectively in a sector programme.

#### **Common features**

- The approach in Cambodia accepts the OECD/DAC definition but the approach differs by emphasising a step-by-step approach based on the circumstances and needs of each sector;
- The TWG Guideline (2007) is supportive of PBAs by identifying measures to link the NSDP with sector programmes and consolidate financing in a single medium-term framework;
- Coordinated capacity development initiatives at the sector-level, integration of aid effectiveness activities, and use of joint sector-level and outcome-based reviews of progress are promoted.

#### **Anticipated benefits**

- Improved leadership and strategic direction based on mutually agreed outcome-level results, with less focus and resources dedicated to managing project outputs;
- Potential to change the 'rules of the game' through strengthening national capacity to develop and appraise project initiatives, rather than retrofitting external projects to a national framework;
- Aid fragmentation is addressed by: (i) incorporating all modalities in a single framework; and (ii) strengthening national systems over the long-term to reduce the transaction cost of projects;
- Coordination and implementation of core public service reforms (PFM, PAR and D&D) can be internalised, applied and sustained.

#### **Development partner considerations**

- Provide an opportunity to ensure that a project has more than tangential association with a PBA by engaging in robust dialogue with Government and other development partners;
- Support efforts beyond the scope of project outputs to strengthen and use the planning, budgeting, implementation, reporting and review systems of Government;
- Respond to the call for "better harmonisation and coordination that remain major collective challenges in enhancing effectiveness of donor capacity development efforts" (OECD 2009).

#### **Prioritising and sequencing**

- PBAs are not a blueprint. Rather they present an opportunity to formalise and advance existing plans and procedures for achieving objectives and coordinating external assistance;
- It is therefore important to identify and reinforce positive achievements in respective PBA components such as leadership capacity, strategies, systems and coordination mechanisms;
- Use of tools such as joint capacity assessments, partnership exercises and joint reviews can build synergies between leadership, capacity and performance.

In practical terms, these recommendations are informed by the commitment to establishment of sector programmes and reform articulated in the NSDP Update 2009-2013. The recommendations are therefore derived from, and are intended to reinforce, the work of many sectors that have embarked on sector-wide initiatives. This effort is also consistent with the PFM reform, JMI aid effectiveness activities and the production of sector plans, coordination and review arrangements. This perhaps demonstrates that a PBA is not conceived as a conscious discrete decision but, rather, is a consolidation and natural next step in the work of many sectors. Developing a common set of objectives and identifying processes to work towards them together is perhaps a more intuitive way to consider a tool that has become immersed in the jargon and rhetoric of a normative, narrow – and sometimes contentious – global framework.

#### **Networking and knowledge management to promote ownership, capacity and partnerships**

In addition to the technical work that is necessary to ground aid effectiveness work in a manner that is relevant at sector level, it is also necessary to address issues of strategic leadership, partnership and capacity. The 'Making Partnerships Effective' exercise, which employed a network method in an attempt to complement formal structures within Government as well as between development partners, has demonstrated the value in taking the time to better understand partnership dynamics in a multi-stakeholder environment and to identify the potential value that each stakeholder can bring to the process. In this way, exploring and promoting partnerships can also help us to understand where we are before then agreeing where we need to go and how we may get there.

Other evidence, for example the experience of the TWG Network, points to the importance of networks that maximise the use of informal relationships while strengthening formal mechanisms such as the TWGs. These arrangements can be effective for: (i) joint learning, for example in sharing information and experience in implementing core reform programmes across Government; (ii) contributing to effective knowledge management by connecting those with common needs; (iii) integrating the core reforms and

NSDP priorities and monitoring arrangements, linking central Government agencies with line ministry counterparts; (iv) most important, helping to understand and operationalise the synergies and interdependencies of ownership and capacity, which are mutually reinforcing. Development partners maintain their own network – the monthly 'informal donor lunch' – but it is not clear if the potential benefits of informality are realised or if they outweigh the benefits of more formal approaches employed elsewhere.

CRDB/CDC therefore remains committed to maintaining support to the TWG Network, to strengthening the Partnership and Harmonisation TWG (which represents the complementary formal structure for dialogue), and to leading the 'Making Partnerships Effective' exercise to a successful conclusion. This latter commitment will require on-going engagement at sector level as well as the commitment and support of respective Government and development partner representatives in those sectors. To strengthen the capacity of civil society, which is well placed to make use of informal networks, there is perhaps great potential for similar initiatives in the NGO community. By coming together to build more effective networks, NGOs may be better able to clarify and articulate their own objectives with regard to aid effectiveness, to identify challenges and to understand diverse interests, enabling them to develop initiatives that can link NGOs to their representatives in the TWGs in order to maximise their contribution to the policy dialogue.

### ***Influencing the global framework for improving aid management practices***

Globally, the next iteration of the Paris Declaration must move beyond the rational and formal mechanisms by which aid is *supposed* to work according to global norms, to increasingly recognise and respond to the realities by which aid actually *does* work, including to consider incentives, to strengthen partnership dynamics and to exploit network effects as part of the broader results and mutual accountability agenda. Cambodia's participation in global processes facilitated by the OECD/DAC has allowed this message to be communicated previously and the Royal Government will continue to share the lessons of its experience in the global fora and analytical work leading up to the 4th High-level Forum in Seoul in 2011.

### ***Joint monitoring of policy implementation***

These recommendations incorporate both continuity and change, resulting in a consensus to maintain the aid effectiveness effort and its link to achieving development results. The proposed new JMI is as follows:

**Outcome:** Harmonised and aligned development cooperation makes a demonstrable contribution to the delivery of Rectangular Strategy – Phase II and NSDP by furthering sector outcome-level results.

**Output:** New and/or improved programme-based practices and partnerships to implement sector programmes in a results-based manner, address fragmentation and promote predictability including a sector plan, integrated Annual Operational Plan/Budget Strategic Plan, joint capacity assessment, agreed aid effectiveness activities, and provision for joint results-based reviews of progress.

**Activities:**

1. CRDB/CDC to facilitate TWG Network of RGC secretariats (and trainings)
2. CRDB/CDC to facilitate capacity assessments of TWGs/sector ministries
3. CRDB/CDC to promote PBAs & capacity development to address fragmentation & predictability
4. CRDB/CDC to conclude and follow-up "Making Partnerships Effective" work
5. P+H TWG to serve as peer review mechanism (to promote learning and knowledge)
6. P+H TWG to support analytical work on country system use
7. Development partners to explicitly state aid effectiveness commitments.

As discussed in previous chapters, it is also noteworthy that beginning in 2010 all of the JMIs will incorporate a related aid effectiveness activity. This is intended to support TWG activities that contribute to priority outputs and outcomes in an environment characterised by the principle of mutual accountability. CRDB/CDC will continue to facilitate the TWG Network to provide learning opportunities and to ensure effective implementation of aid effectiveness initiatives across all sectors. The Partnership and Harmonisation TWG will continue to serve as a forum for dialogue between Government, development partners and civil society on linking aid effectiveness work with development results.

In 2010 the period for implementing the Strategic Framework for Development Cooperation Management and the H-A-R Action Plan ends. The Cambodia Declaration, which applies and adapts global aid effectiveness commitments in the context of NSDP implementation, will also reach its final end-date. Noting the NSDP Update to 2013, CRDB/CDC, through the Partnership and Harmonisation TWG, therefore intends to facilitate a consultative process across Government and with development partners to identify elements of a new policy framework. This will draw on national as well as global evidence prepared in advance of the 2011 4th High-level Forum on Aid Effectiveness to identify priorities, clarify principles and approaches to effective aid management, establish organisational arrangements, strengthen links to sectoral programmes and reforms, promote coherent capacity development and use of national systems, as well as to formalise monitoring and evaluation arrangements.

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## 6. Conclusion

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This Aid Effectiveness Report has provided an opportunity to take stock of the evidence relating to the implementation of the H-A-R Action Plan, which enters its final year of implementation in 2010. The purpose of such reflection has not only been for stock-taking purposes, however; it also represents a committed effort to learn from the experience of implementation in order to identify how aid management arrangements have been reformed. Based on this understanding, lessons can then inform policy dialogue and the future direction of aid management in Cambodia in order to make an increased impact on development results.

This report has shown that, in a challenging global economic environment, Cambodia has received continued growth in development partner support. Attention has therefore been able to focus on efforts to ensure that these resources are used in an accountable and effective manner to support the Royal Government's development priorities. There have been signs of significant progress, for example in stronger Government ownership represented by improved quality and coverage of sector plans, and in impressive achievements in alignment and predictability for development partners.

But there is still more to be done. It is clear from the activity documented in this Report that there has been a great deal of activity. The question, then, is not whether effort has been made – clearly it has – but, rather, whether it has been appropriately designed and implemented with vigour to develop national capacity, reduce transaction costs and contribute to development results. Most important, it is necessary to ask if behaviour change has occurred as originally foreseen in the Paris Declaration. The initiatives reviewed and the results recorded suggest that there has been change at a technical level, manifested in the energies that have been expended on policy formulation, institution building and capacity development. But the more profound changes in aid management and delivery practices that are required have proven to be more elusive.

The idiosyncrasies of Cambodia's own aid dynamics – long-term aid dependency, institutional weaknesses, competitive development partner behaviour, and the culture of both Cambodia and the aid business - cannot be discounted. But these are perhaps factors that are more commonplace than we might suppose:

"In order to change practices in international aid, we need to reshape deep-seated behaviours. These changes in the process of development and the nature of the aid relationship require, time, focused attention and determined political will. It is not easy to change laws, regulations, institutions, practices and mindsets. Old habits die hard."

OECD/DAC (2008) 'Effective Aid by 2010 - What Will It Take?'

Analysis from Cambodia therefore resonates strongly with global findings, highlighting that change in aid delivery and management practices is by no means easy, in Cambodia or elsewhere. The results of the independent Paris Declaration Evaluation are consistent with previous research and analysis; the Paris Declaration must be seen as a normative goal that is often contrasting with the reality of entrenched aid practices. A long-term perspective on change that recognises complexity therefore needs to be adopted as part of a long-term, ambitious yet patient multi-stakeholder process. Policy must take account of the many actors across Government and in the development partner community with their competing priorities, differentials in power, diverging interests, incompatible incentives and multiple agendas. The path will not be linear.

But this is no excuse for passivity. 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, this is perhaps one of the main features that characterises the Cambodia experience, which is highly evolved from 2005, and presents an important lesson that needs to be incorporated into the global reflections prior to establishing a new framework to replace the Paris Declaration. Momentum needs to be sustained in Cambodia and at global levels; the Royal Government of Cambodia, working with its development partners, remains committed to the work that lies ahead.



# **ANNEXES**

**CAMBODIA AID EFFECTIVENESS REPORT 2010**



## ANNEX ONE

### LIST OF ACRONYMS

AAA	-	Accra Agenda for Action
ADB	-	Asian Development Bank
AER	-	Aid Effectiveness Report
AFD	-	Agence Française de Développement
AusAID	-	Australian Agency for International Development
CD	-	Capacity development
CDC	-	Council for the Development of Cambodia
CDCF	-	Cambodia Development Cooperation Forum
CIDA	-	Canadian International Development Agency
CMDG	-	Cambodia Millennium Development Goals
CRDB	-	Cambodian Rehabilitation and Development Board (of CDC)
D&D	-	Decentralisation and Deconcentration
DAC	-	Development Assistance Committee (of the OECD)
DFID	-	Department for International Development (UK)
DPS	-	Development partners (donors & civil society organisations)
EU / EC	-	European Union / European Commission
FAO	-	Food and Agriculture Organisation
GBS	-	General Budget Support
GDCC	-	Government-Development Partner Coordination Committee
GFATM	-	Global Fund for AIDS, TB and Malaria
GTZ	-	Gesellschaft für Technische Zusammenarbeit (German technical agency)
H-A-R	-	Harmonisation, Alignment and Results Action Plan of the RGC
IFI	-	International Financial Institution
IMF	-	International Monetary Fund
JICA	-	Japan International Cooperation Agency
JMIs	-	Joint Monitoring Indicator(s)
KfW	-	Kreditanstalt für Wiederaufbau (German credit agency / development bank)
M&E	-	Monitoring and Evaluation
MDGs	-	Millennium Development Goals
NGO	-	Non-Government Organisation
NSDP	-	National Strategic Development Plan (2006-2010)
NOG	-	National Operational Guidelines (for management of grant assistance)
ODA	-	Official Development Assistance
OECD	-	Organisation for Economic Cooperation and Development
PBA	-	Programme-based Approach (sector/thematic programme under RGC leadership)
PIP	-	Public Investment Programme
PIU	-	Project Implementation Unit
PMU	-	Project Management Unit
PRGO	-	Poverty Reduction and Growth Operation (joint budget support operation)
RBM	-	Results-based Management (Managing for Results)
RGC	-	Royal Government of Cambodia
RWSSH	-	Rural Water Supply, sanitation & Hygiene TWG
SIDA	-	Swedish International Development Agency
SNEC	-	Supreme National Economic Council
SOP	-	Standard Operations Procedures (for loan programme management)
SWAp	-	Sector-Wide Approach
SWiM	-	Sector Wide Management arrangement (health sector)
TA	-	Technical Assistance
TC	-	Technical Cooperation
TWG	-	(Joint) Technical Working Group
USAID	-	United States Agency for International Development
UN	-	United Nations
UNDP	-	United Nations Development Programme
UNESCO	-	United Nations Educational, Scientific & Cultural Organisation
UNFPA	-	United Nations Population Fund
UNHCR	-	Office of the United Nations High Commissioner for Refugees
UNICEF	-	United Nations Children's Fund
WFP	-	World Food Programme
WHO	-	World Health Organisation

## ANNEX TWO

### HOW GOOD IS OUR DATA?

#### *Data cleaning and validation*

The quality of the data presented for analysis in this Aid Effectiveness Report reflects continuous improvement based on hard work and cooperation of CRDB/CDC and development partners since 2006. Trainings and consultations with Government staff and development partners have strengthened reporting capacity and CRDB staff has received specialised training in data management, validation and analysis techniques to strengthen information management capacity. Data validation is supported by effective outreach to become an established and systematic part of the CRDB work programme.

#### *Structure of the ODA Database*

The Cambodia ODA Database has been developed locally by a national IT expert. This allows it to be customised according to the needs of Government and other users. Since the first AER in 2007 improvements include serialised PIP/RGC numbers to link co-funded project records, Paris Declaration monitoring, customisation for sector needs (e.g. education), a mission recording module and improved help functions. Customisation and system development is integrated into ODA Database management arrangements and linked to training, outreach and data collection. In 2009 a complementary NGO Database was launched to support NGO coordination and to support a fuller understanding of the important contributions that civil society make to national development.

#### *Notes on the data and the data collection exercise*

The 2008 figures in this AER have been revised (the 2008 AER was drafted before the end of that reporting period) and the 'other sector' has been reduced significantly to promote accuracy in the analysis. It is known that some partners do not report their support, resulting in some downward bias (smaller European donors, GAVI, OPEC Fund, India), while others supporting UN/multilateral programmes and regional initiatives or INGOs directly from their capitals are unable to provide comprehensive data

(UN/multilaterals may report these as 'own funds'). Disbursements reported here represent transfer of funds to project accounts so that the numbers recorded cannot be regarded as actual expenditure on development activity in a reporting year.

	2008 USD m		Difference
	DAC CRS	ODA DB	
UN Agencies	25.7	68.3	42.6
World Bank	38.9	44	5.1
ADB		145.7	145.7
GFATM	37.9	38.6	0.7
GAVI	1.0		-1
Austria	0.2		-0.2
Belgium	16.4	2.8	-13.6
Denmark	10.5	10.1	-0.4
Finland	5.3	6.6	1.3
France	34.7	31.3	-3.4
Germany	33.8	36.5	2.7
Ireland	4.1		-4.1
Italy	2.2		-2.2
Luxembourg	0.3		-0.3
Netherlands	1.9	2.2	0.3
Spain	11.8	6.5	-5.3
Sweden	16.1	15.9	-0.2
UK	30.4	29.6	-0.8
EC	37.5	47.2	9.7
Australia	39.0	31.2	-7.8
Canada	9.3	17.2	7.9
China		95.4	95.4
Japan	114.8	126.2	11.4
New Zealand	4.1	2.8	-1.3
Norway	10.6		-10.6
Rep of Korea		33	33
Switzerland	4.0	3.9	-0.1
United States	71.5	55.7	-15.8
<b>Total</b>	<b>561.9</b>	<b>850.7</b>	<b>288.7</b>

#### *Comparison to data reported by the OECD/DAC*

Figures reported in the Cambodia ODA Database have generally been more comprehensive than those recorded by the OECD (which records DAC member resources and some others). For 2008, the most recent year of DAC reporting, the CRS shows donor assistance of USD 561.9 million compared to USD 850.7 million in the Cambodia ODA Database. The CRS includes data for some donors, principally European countries disbursing less than USD 10 million, for which Cambodia has no details, although where these donors disburse through NGOs some of these funds (e.g. for Norway) are captured through NGO reporting. The ODA Database includes all UN agencies, ADB, China and the Republic of Korea, accounting for the greater amounts reported locally. Cambodia also records NGO core contributions, which, while not meeting the formal definition of ODA, are an important development resource.

The table shows a USD 288.7 million discrepancy between 2008 DAC data and the national system. Improvements in data validation indicate that ODA Database information is now quite comprehensive and of high quality, although efforts to include 'missing' donors need to be made in 2010. The data is, moreover, robust for analysis when combined with other available evidence.<sup>1</sup>

685/19/2010

<sup>1</sup> A note on the use of the Cambodia ODA Database is available on-line at: <http://www.cdc-crdp.gov.kh/database/index.htm>. Direct access to the system can be gained through: <http://cdc.khmer.biz>

# ANNEX THREE

## ADDITIONAL DATA PRESENTATIONS

### 3.1 DISBURSEMENTS BY DEVELOPMENT PARTNER AND SECTOR 2008 (USD THOUSANDS)

Development partner	Term	Health	Edu.	Agri.	Manufac. Mining & trade	Rural Dev.	Banking & Biz	Urban Plan. & Mana.	Inf. & Com.	Energy, Power & Ele.	Trans.	Water & Sanitation	Comm. & Social	Culture & Art	Enviro. & Conser.	Gender	HIV/AIDS	Gov. & Adm.	Tourism	Budget & BoP	Emer. & Food Aid	Other	TOTAL
- UN (core resources)	Grant	16,894	11,986	2,430	1,032	3,278	0	0	35	134	3,135	1,555	5,139	1,327	1,657	477	6,682	9,481	0	488	0	0	65,728
	Loan	0	0	2,548	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,548
- World Bank	Grant	3,113	6,558	1,150	811	1,335	0	0	0	287	0	499	0	0	732	0	0	9,756	0	0	0	7	24,247
	Loan	2,854	1,922	0	0	2,805	0	0	0	8,999	432	2,114	0	0	0	0	0	591	0	0	0	0	19,716
- IMF	Grant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- ADB	Grant	3,480	2,284	9,427	475	1,812	569	0	215	336	701	5,768	761	0	207	455	0	12,181	0	0	80	0	38,750
	Loan	5,818	4,859	5,048	5,256	5,331	42,116	0	0	13,406	19,353	0	0	0	1,411	0	0	0	4,385	0	0	0	106,983
- Global Fund	Grant	21,001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,600	0	0	0	0	0	38,601
<b>Sub-total: UN &amp; multilateral</b>	<b>TOTAL</b>	<b>53,160</b>	<b>27,608</b>	<b>20,602</b>	<b>7,574</b>	<b>14,562</b>	<b>42,685</b>	<b>0</b>	<b>251</b>	<b>23,162</b>	<b>23,620</b>	<b>9,935</b>	<b>5,899</b>	<b>1,327</b>	<b>4,007</b>	<b>932</b>	<b>24,282</b>	<b>32,009</b>	<b>4,385</b>	<b>488</b>	<b>80</b>	<b>7</b>	<b>296,572</b>
- European Commission	Grant	5,734	10,339	2,547	6,505	6,483	0	0	90	152	60	695	576	0	420	193	1,415	9,448	0	48	2,185	269	47,161
- Belgium	Grant	0	2,165	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	652	2,817
- Denmark	Grant	0	0	783	0	1,181	392	0	0	0	0	0	0	0	0	0	0	7,722	0	0	0	0	10,079
- Finland	Grant	0	630	35	0	4,062	0	0	0	0	0	0	1,744	0	0	118	0	40	0	0	0	0	6,630
- France	Grant	2,764	3,804	3,123	1,882	0	0	2,333	0	0	0	1,583	2,383	4,423	277	0	1,017	2,059	0	0	0	16	25,664
	Loan	0	0	0	0	0	0	0	0	0	0	5,664	0	0	0	0	0	0	0	0	0	0	5,664
- Germany	Grant	5,174	8,654	0	177	8,433	58	0	0	141	0	0	0	2,694	0	963	0	3,205	0	0	0	6,951	36,451
- Netherlands	Grant	4	3	4	0	0	0	0	0	0	0	6	2,178	0	0	0	0	0	0	0	0	0	2,196
- Spain	Grant	0	295	204	0	1,108	0	0	487	0	0	0	491	0	533	1,477	0	445	382	0	369	347	6,138
	Loan	0	0	0	0	0	408	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	408
- Sweden	Grant	0	5,894	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,963	0	0	0	0	15,857
- United Kingdom	Grant	8,673	133	2,641	0	5,788	0	0	0	0	0	0	28	0	0	384	2,015	6,921	0	2,820	0	160	29,562
<b>Sub-Total: EU</b>	<b>TOTAL</b>	<b>22,349</b>	<b>31,917</b>	<b>9,337</b>	<b>8,565</b>	<b>27,055</b>	<b>858</b>	<b>2,333</b>	<b>578</b>	<b>293</b>	<b>60</b>	<b>7,949</b>	<b>7,400</b>	<b>7,117</b>	<b>1,230</b>	<b>3,135</b>	<b>4,447</b>	<b>39,804</b>	<b>382</b>	<b>2,868</b>	<b>2,554</b>	<b>8,395</b>	<b>188,626</b>
- Australia	Grant	2,147	1,994	3,443	0	5,739	428	0	0	0	0	50	3,498	710	0	253	797	12,188	0	0	0	0	31,246
- Canada	Grant	1,024	855	2,704	88	3,609	43	0	0	0	0	0	0	0	584	854	209	7,281	0	0	0	0	17,250
- China	Grant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	218	0	0	0	0	218
	Loan	0	0	0	0	0	0	0	0	87,122	0	0	0	0	0	0	0	8,068	0	0	0	0	95,190
- Japan	Grant	5,319	10,304	12,847	1,353	7,698	5	737	658	985	20,871	1,104	22	0	223	341	82	6,108	0	19,078	0	14,727	102,460
	Loan	0	0	0	0	0	0	0	0	8,394	67	0	0	0	0	0	0	0	0	0	0	15,318	23,779
- New Zealand	Grant	0	894	1,078	0	173	0	0	0	0	0	0	81	0	0	0	0	359	144	0	0	75	2,804
- Republic of Korea	Grant	500	3,504	0	0	2,317	830	1,401	0	3,447	288	975	0	0	0	0	0	33	0	0	0	0	13,295
	Loan	0	0	6,198	0	0	0	0	5,688	0	7,775	0	0	0	0	0	0	0	0	0	0	0	19,661
- Switzerland	Grant	2,778	0	0	58	0	0	0	0	0	0	0	0	831	0	0	0	0	0	0	0	269	3,936
- United States of America	Grant	15,961	1,603	0	7,921	0	0	0	0	0	0	0	0	0	44	0	16,283	13,860	0	0	0	0	55,672
<b>Sub-Total: other bilaterals</b>	<b>TOTAL</b>	<b>27,729</b>	<b>19,152</b>	<b>26,270</b>	<b>9,420</b>	<b>19,537</b>	<b>1,305</b>	<b>2,138</b>	<b>6,346</b>	<b>9,380</b>	<b>119,281</b>	<b>1,441</b>	<b>4,576</b>	<b>1,541</b>	<b>851</b>	<b>1,447</b>	<b>17,371</b>	<b>48,115</b>	<b>144</b>	<b>19,078</b>	<b>0</b>	<b>30,388</b>	<b>365,511</b>
NGO (own resources)	Grant	36,707	26,769	1,224	122	1,287	68	0	0	0	0	0	31,341	113	1,536	232	5,205	170	0	0	0	142	104,915
<b>TOTAL</b>	<b>TOTAL</b>	<b>139,944</b>	<b>105,446</b>	<b>57,433</b>	<b>25,680</b>	<b>62,442</b>	<b>44,916</b>	<b>4,470</b>	<b>7,174</b>	<b>32,834</b>	<b>142,962</b>	<b>19,325</b>	<b>49,216</b>	<b>10,098</b>	<b>7,624</b>	<b>5,747</b>	<b>51,304</b>	<b>120,098</b>	<b>4,911</b>	<b>22,433</b>	<b>2,634</b>	<b>38,932</b>	<b>955,624</b>

### 3.2 ESTIMATED DISBURSEMENTS BY DEVELOPMENT PARTNER AND SECTOR 2009 (USD THOUSANDS)

Development partner	Term	Health	Edu.	Agri.	Man. Ming Trade	Rural Dev.	Banking & Biz	Urban Plan. & Mana.	Inf. & Com.	Energy, Power & Ele.	Trans.	Water & Sanitation	Comm. & Social	Culture & Art	Enviro. & Conser.	Gender	HIV/AIDS	Gov. & Adm.	Tourism	Budget & BoP	Emer. & Food Aid	Other	TOTAL
• UN (own resources)	Grant	20,206	11,021	4,199	958	4,580	0	0	50	7	3,124	255	5,456	2,235	2,581	1,007	7,399	7,711	0	494	698	0	71,984
	Loan	0	0	2,834	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,834
• World Bank	Grant	1,101	6,914	4,636	1,129	591	0	0	0	907	0	0	4,000	0	768	0	0	17,524	0	0	0	0	37,570
	Loan	5,494	974	2,643	0	2,559	0	0	0	7,478	515	184	2,643	0	0	0	0	306	0	0	0	0	22,796
• IMF	Grant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
• ADB	Grant	2,822	1,891	2,486	126	7,193	1,012	0	197	181	527	7,762	497	0	0	931	0	1,676	0	0	1,025	0	28,325
	Loan	2,336	7,955	18,627	0	302	0	0	0	9,727	17,249	0	0	0	0	0	0	0	5,157	0	0	0	61,165
• Global Fund	Grant	32,070	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,813	0	0	0	0	0	47,883
<b>Sub-Total: UN &amp; multilaterals</b>	<b>TOTAL</b>	<b>64,030</b>	<b>28,755</b>	<b>35,426</b>	<b>2,213</b>	<b>15,225</b>	<b>1,012</b>	<b>0</b>	<b>247</b>	<b>18,301</b>	<b>21,414</b>	<b>8,201</b>	<b>12,596</b>	<b>2,235</b>	<b>3,162</b>	<b>1,938</b>	<b>23,212</b>	<b>27,216</b>	<b>5,157</b>	<b>494</b>	<b>1,723</b>	<b>0</b>	<b>272,556</b>
- European Commission	Grant	3,684	5,413	16,823	291	12,251	42	0	47	0	38	205	950	0	1,001	182	955	5,875	0	0	2,141	428	50,325
- Belgium	Grant	0	2,612	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	506	3,117
- Denmark	Grant	0	0	971	0	1,464	1,500	0	0	0	0	0	0	0	0	0	0	9,896	0	0	0	370	14,201
- Finland	Grant	0	403	0	0	3,060	0	0	0	0	0	0	2,701	0	0	125	0	37	0	0	0	0	6,326
- France	Grant	2,857	3,441	2,957	1,794	0	0	2,731	0	0	0	1,325	899	2,753	150	0	362	2,138	0	0	0	183	21,591
	Loan	0	0	0	0	0	0	0	0	0	0	3,880	0	0	0	0	0	0	0	0	0	0	3,880
- Germany	Grant	6,460	8,078	0	0	10,168	0	0	0	0	0	0	2,507	0	878	0	3,412	0	0	0	0	1,010	32,512
- Netherlands	Grant	0	0	0	0	0	0	0	0	0	0	0	745	0	0	0	0	0	0	0	0	0	745
- Spain	Grant	0	279	732	0	0	0	0	181	0	0	0	491	1,002	412	1,389	0	1,066	348	0	348	373	6,622
	Loan	0	0	0	0	0	10,134	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,134
- Sweden	Grant	0	3,350	0	0	0	0	0	0	0	0	0	0	0	1,958	0	0	17,545	0	0	0	0	22,854
- United Kingdom	Grant	16,235	15	2,579	0	4,747	0	0	0	0	0	0	32	0	4	278	1,162	7,316	0	0	0	122	32,490
- Sub-Total: EU	<b>TOTAL</b>	<b>29,237</b>	<b>23,591</b>	<b>24,062</b>	<b>2,085</b>	<b>31,690</b>	<b>11,676</b>	<b>2,731</b>	<b>229</b>	<b>0</b>	<b>38</b>	<b>5,410</b>	<b>5,817</b>	<b>6,262</b>	<b>3,525</b>	<b>2,852</b>	<b>2,479</b>	<b>47,285</b>	<b>348</b>	<b>0</b>	<b>2,489</b>	<b>2,991</b>	<b>204,796</b>
- Australia	Grant	5,676	1,898	3,129	0	3,254	0	0	0	0	0	0	2,238	0	0	7	809	6,670	0	0	0	0	23,681
- Canada	Grant	1,038	730	2,415	34	2,309	39	0	0	0	0	0	0	0	566	502	94	5,380	0	0	0	0	13,107
- China	Grant	0	81	0	0	0	0	0	0	0	2,899	0	0	0	0	0	0	0	0	0	0	0	2,979
	Loan	0	0	0	0	0	0	0	0	0	111,718	0	0	0	0	0	0	0	0	0	0	0	111,718
- Japan	Grant	9,624	16,250	11,125	1,614	7,790	0	2,162	868	2,103	13,591	888	97	0	283	485	0	7,783	0	19,412	0	15,112	109,187
	Loan	0	0	0	0	0	0	0	0	9,490	17,762	5,468	0	0	0	0	0	0	0	0	0	6,535	39,256
- New Zealand	Grant	0	806	930	0	33	0	0	0	0	0	0	355	0	0	0	0	310	248	0	0	0	2,682
- Republic of Korea	Grant	1,078	2,042	1,803	0	20	370	781	0	733	868	0	239	0	0	0	0	0	0	0	0	0	7,935
	Loan	0	0	9,608	0	0	0	0	25,282	0	3,673	0	0	0	0	0	0	0	0	0	0	0	38,563
- Switzerland	Grant	2,765	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	2,770
- United States of America	Grant	19,315	1,599	1,379	2,332	0	0	0	0	0	0	1,551	0	0	735	0	15,176	14,860	0	0	0	0	56,947
- Sub-Total: Bilateral Donors	<b>TOTAL</b>	<b>39,496</b>	<b>23,405</b>	<b>30,389</b>	<b>3,980</b>	<b>13,406</b>	<b>409</b>	<b>2,944</b>	<b>26,150</b>	<b>12,327</b>	<b>150,511</b>	<b>7,907</b>	<b>2,929</b>	<b>5</b>	<b>1,584</b>	<b>995</b>	<b>16,079</b>	<b>35,004</b>	<b>248</b>	<b>19,412</b>	<b>0</b>	<b>21,648</b>	<b>408,826</b>
NGO (own resources)	Grant	32,558	27,504	1,338	0	1,403	92	0	0	0	0	0	31,893	129	4,584	296	3,186	52	74	0	0	174	103,282
<b>TOTAL</b>	<b>TOTAL</b>	<b>165,319</b>	<b>103,255</b>	<b>91,214</b>	<b>8,278</b>	<b>61,723</b>	<b>13,190</b>	<b>5,674</b>	<b>26,626</b>	<b>30,627</b>	<b>171,962</b>	<b>21,518</b>	<b>53,234</b>	<b>8,631</b>	<b>12,855</b>	<b>6,081</b>	<b>44,956</b>	<b>109,557</b>	<b>5,827</b>	<b>19,906</b>	<b>4,212</b>	<b>24,813</b>	<b>989,460</b>

### 3.3 PROJECTED DISBURSEMENTS BY DEVELOPMENT PARTNER AND SECTOR 2010 (USD THOUSANDS)

Development partner	Term	Health	Edu.	Agri.	Man. Ming Trade	Rural Dev.	Banking & Biz	Urban Plan. & Mana.	Inf. & Com.	Energy, Power & Ele.	Trans.	Water & Sanitation	Comm. & Social	Culture & Art	Enviro. & Conser.	Gender	HIV/ AIDS	Gov. & Adm.	Tourism	Budget & BoP	Emer. Food Aid	Other	TOTAL
• UN (own resources)	Grant	17,439	16,440	7,089	924	1,771	0	0	196	492	3,008	1,851	5,809	2,401	2,920	1,381	7,846	22,929	0	626	430	0	93,553
	Loan	0	0	2,277	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,277
• World Bank	Grant	0	23,927	4,389	3,385	3,924	0	0	1,250	3,460	60	246	0	0	439	0	0	29,212	0	15,000	0	0	85,292
	Loan	9,848	815	0	0	1,200	0	0	0	11,215	8,191	6,107	0	0	0	0	0	0	0	0	0	0	37,376
• IMF	Grant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
• ADB	Grant	1,300	6,650	8,642	0	4,820	2,313	300	0	300	1,040	611	700	0	0	300	0	1,783	0	0	395	100	29,254
	Loan	0	700	18,672	0	500	35,000	0	0	17,500	21,290	0	0	0	0	0	0	0	1,590	0	0	0	95,252
• Global Fund	Grant	27,966	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,217	0	0	0	0	0	41,183
- Sub-Total: UN & multilateral	<b>TOTAL</b>	<b>56,554</b>	<b>48,532</b>	<b>41,069</b>	<b>4,309</b>	<b>12,214</b>	<b>37,313</b>	<b>300</b>	<b>1,446</b>	<b>32,967</b>	<b>33,589</b>	<b>8,815</b>	<b>6,509</b>	<b>2,401</b>	<b>3,359</b>	<b>1,681</b>	<b>21,064</b>	<b>53,924</b>	<b>1,590</b>	<b>15,626</b>	<b>825</b>	<b>100</b>	<b>384,188</b>
European Commission	Grant	3,796	4,952	12,746	3,603	11,145	0	0	33	83	0	478	1,149	0	1,265	256	1,090	9,011	0	6,983	656	523	57,770
Belgium	Grant	0	758	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	428	1,186
Denmark	Grant	0	0	851	0	1,364	4,600	0	0	0	0	0	0	0	0	0	9,554	0	0	0	0	0	16,368
Finland	Grant	0	0	0	0	1,604	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,604
France	Grant	2,750	3,607	2,038	476	0	0	2,767	0	0	0	3,953	344	2,114	251	0	363	2,179	0	0	0	1,369	22,212
	Loan	0	0	335	0	0	0	0	0	0	0	4,181	0	0	0	0	0	0	0	0	0	0	4,516
Germany	Grant	9,622	8,101	0	0	13,343	429	0	0	18,112	0	0	0	2,514	0	2,352	0	4,679	0	0	0	1,047	60,199
Netherlands	Grant	0	0	0	0	0	0	0	0	0	0	0	1,191	0	0	0	0	0	0	0	0	0	1,191
Spain	Grant	0	0	707	0	0	0	0	279	0	0	0	140	1,349	0	2,449	0	1,187	140	0	0	551	6,802
	Loan	0	0	0	0	0	16,098	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16,098
Sweden	Grant	0	3,283	0	0	0	0	0	0	0	0	0	0	0	2,074	0	0	21,371	0	0	0	0	26,728
United Kingdom	Grant	14,119	19	1,701	0	3,654	0	0	0	0	0	0	16	0	0	39	1,470	5,074	0	5,512	0	0	31,603
- Sub-Total: EU donors	<b>TOTAL</b>	<b>30,288</b>	<b>20,720</b>	<b>18,378</b>	<b>4,079</b>	<b>31,110</b>	<b>21,127</b>	<b>2,767</b>	<b>313</b>	<b>18,195</b>	<b>0</b>	<b>8,612</b>	<b>2,840</b>	<b>5,978</b>	<b>3,590</b>	<b>5,096</b>	<b>2,922</b>	<b>53,055</b>	<b>140</b>	<b>12,495</b>	<b>656</b>	<b>3,918</b>	<b>246,277</b>
Australia	Grant	13,417	3,359	6,541	0	2,103	0	0	0	0	0	0	2,815	0	0	0	445	7,603	0	0	0	0	36,282
Canada	Grant	1,379	297	938	18	3,083	0	0	0	0	0	0	0	0	294	674	75	1,165	0	0	0	0	7,923
China	Grant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Loan	0	0	0	0	0	0	0	0	0	100,202	0	0	0	0	0	0	0	0	0	0	0	100,202
Japan	Grant	6,266	4,625	12,415	831	5,352	0	831	831	0	10,293	831	0	0	0	0	0	6,647	0	0	0	11,518	60,439
	Loan	0	0	0	1,839	0	0	0	0	9,660	20,139	11,532	0	0	0	0	0	0	0	0	0	1,118	44,287
New Zealand	Grant	0	1,165	706	0	27	0	0	0	0	0	0	455	0	0	0	0	353	600	0	0	0	3,307
Republic of Korea	Grant	0	0	1,000	0	690	0	0	0	733	0	0	0	0	0	0	0	0	0	0	0	0	2,423
	Loan	0	0	10,410	0	0	0	0	0	0	13,684	0	0	0	0	0	0	0	0	0	0	0	24,094
Switzerland	Grant	2,844	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,844
USA	Grant	20,552	1,600	2,285	3,354	0	0	0	0	0	0	1,449	0	0	1,142	0	16,148	14,700	0	0	0	0	61,230
Sub-total: other bilaterals	<b>TOTAL</b>	<b>44,458</b>	<b>11,046</b>	<b>34,294</b>	<b>6,042</b>	<b>11,256</b>	<b>0</b>	<b>831</b>	<b>831</b>	<b>10,393</b>	<b>144,318</b>	<b>13,811</b>	<b>3,270</b>	<b>0</b>	<b>1,436</b>	<b>674</b>	<b>16,667</b>	<b>30,467</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>12,636</b>	<b>343,031</b>
NGO (own resources)	Grant	33,977	20,769	2,130	0	6,903	91	0	175	192	0	0	13,534	379	2,703	659	19,810	3,802	449	0	0	6,851	112,424
<b>TOTAL</b>	<b>TOTAL</b>	<b>165,276</b>	<b>101,066</b>	<b>95,872</b>	<b>14,430</b>	<b>61,484</b>	<b>58,531</b>	<b>3,897</b>	<b>2,765</b>	<b>61,746</b>	<b>177,907</b>	<b>31,238</b>	<b>26,154</b>	<b>8,757</b>	<b>11,088</b>	<b>8,110</b>	<b>60,463</b>	<b>141,249</b>	<b>2,779</b>	<b>28,121</b>	<b>1,481</b>	<b>23,504</b>	<b>1,085,920</b>

### 3.4 DISBURSEMENTS & PROJECTIONS BY DEVELOPMENT PARTNER 1992 – 2013 (USD THOUSANDS)

Development partner	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total Disbursements 1992-2009			2010	2011	2012	2013
																		(Est)	(USD)	% Distribution	Proj	Plan	Plan	Plan	
UN (own funds)	13,276	30,977	26,154	30,968	50,315	42,704	49,518	45,282	49,433	44,918	42,222	44,208	36,294	41,111	53,959	58,324	68,276	74,818	802,757	8.2%	95,830	12,163	4,981	1,660	
World Bank	0	68	40,009	29,601	40,401	28,115	29,313	26,716	32,697	43,078	47,245	63,663	49,456	37,832	24,454	47,468	43,964	60,366	644,445	6.6%	122,668	109,595	93,785	47,708	
IMF	0	8,800	21,238	42,290	400	0	0	11,500	11,478	22,957	23,504	12,268	2,359	310	83,500	919	0	0	241,523	2.5%	0	0	0	0	
ADB	0	12,297	12,388	37,860	49,238	18,390	36,488	26,869	51,133	48,685	78,470	73,282	76,662	89,399	67,474	69,364	145,732	89,490	983,222	10.0%	124,506	116,799	92,751	125,762	
Global Fund														18,846	21,854	21,067	38,601	47,883	148,252	1.5%	41,183	27,186	14,816		
<b>Sub-Total: UN &amp; multilateral</b>	<b>13,276</b>	<b>52,142</b>	<b>99,789</b>	<b>140,719</b>	<b>140,354</b>	<b>89,209</b>	<b>115,319</b>	<b>110,367</b>	<b>144,741</b>	<b>159,638</b>	<b>191,442</b>	<b>193,421</b>	<b>164,771</b>	<b>187,498</b>	<b>251,242</b>	<b>197,142</b>	<b>296,572</b>	<b>272,556</b>	<b>2,820,198</b>	<b>28.8%</b>	<b>384,188</b>	<b>265,742</b>	<b>206,332</b>	<b>175,129</b>	
European Commission	32,118	19,068	9,163	28,886	57,622	36,793	49,291	28,279	27,945	22,679	25,833	32,717	15,020	23,651	46,485	44,012	47,161	50,325	597,049	6.1%	57,770	53,384	41,479	27,973	
Belgium	1,941	2,184	971	2,695	1,986	1,672	3,186	4,768	2,641	1,274	2,245	3,694	5,200	11,701	7,327	7,150	2,817	3,117	66,570	0.7%	1,186	346			
Denmark	3,997	5,880	5,844	5,129	20,813	5,076	4,461	2,684	3,529	2,847	4,762	4,258	5,793	4,838	4,058	9,809	10,079	14,201	118,058	1.2%	16,368	2,000	2,000		
Finland	1,696	679	575	0	0	112	250	700	3,269	1,199	868		3,298	3,342	4,468	5,205	6,630	6,326	38,616	0.4%	1,604	2,095	2,095		
France	5,797	32,260	35,807	62,237	42,887	26,492	23,216	18,586	27,800	36,047	28,348	25,922	23,039	24,441	21,785	21,694	31,328	25,471	513,156	5.2%	26,728	16,632	13,581		
Germany	2,637	2,483	3,349	13,896	9,607	10,082	9,838	12,319	12,225	10,020	17,226	17,597	14,096	27,293	32,442	20,721	36,451	32,512	284,795	2.9%	60,199	47,506	29,485	3,894	
Netherlands	17,159	11,147	9,980	3,447	11,542	3,257	5,671	6,053	4,912	3,606	3,732	2,753	1,613	1,144	70	100	2,196	745	89,127	0.9%	1,191	56	12		
Spain															2,842	3,544	6,546	16,755	29,687	0.3%	22,900	2,054			
Sweden	13,368	14,994	10,098	25,314	16,079	17,413	13,499	10,830	14,122	13,112	13,570	12,387	22,024	13,600	16,001	17,343	15,857	22,854	282,467	2.9%	26,728	22,189	6,535		
United Kingdom	7,032	5,075	7,099	10,700	4,134	2,250	9,866	9,416	13,000	8,711	11,644	15,367	17,015	20,555	20,671	23,656	29,562	32,490	248,243	2.5%	31,603	16,511	13,899	4,751	
<b>Sub-Total: EU</b>	<b>85,745</b>	<b>93,770</b>	<b>82,886</b>	<b>152,304</b>	<b>164,670</b>	<b>103,147</b>	<b>119,278</b>	<b>93,635</b>	<b>109,443</b>	<b>99,495</b>	<b>108,239</b>	<b>114,695</b>	<b>107,098</b>	<b>130,565</b>	<b>156,149</b>	<b>153,235</b>	<b>188,626</b>	<b>204,796</b>	<b>2,267,777</b>	<b>23.2%</b>	<b>246,277</b>	<b>162,774</b>	<b>109,087</b>	<b>36,618</b>	
Australia	10,511	15,917	13,792	27,508	20,172	27,296	18,205	18,390	29,417	19,873	17,795	22,689	24,279	16,788	22,459	29,571	31,246	23,681	389,589	4.0%	36,282	42,783	18,968	11,000	
Canada	5,821	6,584	4,512	4,261	3,179	4,179	4,756	2,579	818	5,243	3,392	2,624	1,472	9,103	7,928	12,620	17,250	13,107	109,428	1.1%	7,923	3,759	2,478	434	
China	912	871	7,089	3,129	10,850	9,496	14,345	2,994	2,610	16,325	5,723	5,573	32,470	46,638	53,237	92,446	95,408	114,697	514,813	5.3%	100,202	64,705	28,673	7,168	
Japan	66,897	102,025	95,606	112,402	111,000	59,843	71,372	88,000	106,021	100,023	105,604	101,159	101,761	111,669	103,659	117,216	126,239	148,443	1,828,938	18.7%	104,726	56,624	44,680		
New Zealand	0	0	243	254	209	43	1,003	804	1,002	718	1,280	1,912	2,445	2,075	1,698	4,520	2,804	2,682	23,692	0.2%	3,307	2,539	847	494	
Norway	7,876	3,105	806	924	1,441	2,149	1,000	1,020	1,310	1,151	3,387	2,735	3,367						30,271	0.3%					
Republic of Korea	0	30	0	0	252	0	50	1,048	706	1,199	22,498	10,322	24,138	14,857	13,259	31,255	32,956	46,498	199,068	2.0%	26,517	27,458	45,693		
Russian Federation	5,100	3,700	2,100	1,040	280	262	300	340	851	334	331	409	350						15,397	0.2%					
Switzerland											2,930	2,466	3,185	2,787	2,444	3,583	3,936	2,770	24,100	0.2%	2,844	2,844	2,844		
United States of America	35,551	33,809	31,701	45,149	28,761	30,509	30,364	23,000	17,608	23,848	22,092	34,266	40,607	43,254	51,004	58,140	55,672	56,947	662,283	6.8%	61,230	63,674			
Others	17,425	4,616	1,572	4,530	1,115	7,179	1,191	2,533	435	435	642								41,672	0.4%					
<b>Sub-Total: Bilateral Donors</b>	<b>150,093</b>	<b>170,657</b>	<b>157,421</b>	<b>199,197</b>	<b>177,259</b>	<b>140,956</b>	<b>142,586</b>	<b>140,708</b>	<b>160,778</b>	<b>169,149</b>	<b>185,674</b>	<b>184,153</b>	<b>234,073</b>	<b>247,171</b>	<b>255,688</b>	<b>349,350</b>	<b>365,511</b>	<b>408,826</b>	<b>3,839,250</b>	<b>39.2%</b>	<b>343,031</b>	<b>264,386</b>	<b>144,183</b>	<b>19,097</b>	
NGO (own resources)	1,069	5,322	17,949	21,100	35,800	49,876	56,097	55,000	51,851	43,560	45,568	47,238	49,449	44,719	50,162	77,736	104,915	103,282	860,693	8.8%	112,424	51,844	28,542		
<b>TOTAL</b>	<b>250,183</b>	<b>321,891</b>	<b>358,045</b>	<b>513,320</b>	<b>518,082</b>	<b>383,188</b>	<b>433,280</b>	<b>399,710</b>	<b>466,813</b>	<b>471,842</b>	<b>530,923</b>	<b>539,507</b>	<b>555,392</b>	<b>609,953</b>	<b>713,241</b>	<b>777,463</b>	<b>955,624</b>	<b>989,460</b>	<b>9,787,918</b>	<b>100.0</b>	<b>1,085,920</b>	<b>744,746</b>	<b>488,144</b>	<b>230,844</b>	

Note. Projections for 2011 – 2013 are limited to committed funds for on-going and confirmed pipeline projects (data extracted on 24 March 2010).

### 3.5 DISBURSEMENTS & PROJECTIONS BY SECTOR 1992 – 2013 (USD THOUSANDS)

SECTOR	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total Disbursements: 1992-2009		2010 Plan	2011 Plan	2012 Plan	2013 Plan
																			US \$ '000	% distribution				
Health	15,483	28,867	20,788	24,877	43,696	32,027	62,969	70,864	67,710	66,081	67,610	83,097	95,867	110,299	109,024	107,092	139,944	165,319	1,311,614	13.4%	165,276	116,596	61,465	14,452
Education	15,763	28,520	28,884	42,336	34,738	48,269	58,251	40,457	40,496	44,983	68,859	75,023	73,421	69,278	79,725	89,854	105,446	103,255	1,047,558	10.7%	101,066	65,419	50,733	25,234
Agriculture	16,875	27,528	24,269	36,650	64,559	18,012	12,428	25,567	44,141	35,381	36,972	37,790	45,261	33,819	123,499	46,376	57,433	91,214	777,774	7.9%	95,872	70,071	38,773	32,973
Manufacturing, Mining Trade	432	10	304	331	2,784	7,498	5,404	957	90	1,543	1,541	1,732	6,953	9,966	24,184	16,422	25,680	8,278	114,108	1.2%	14,430	20,504	32,513	
Rural Development	35,103	43,548	28,542	70,191	78,097	67,918	63,274	58,087	67,318	61,880	50,049	35,878	60,484	50,005	49,852	68,037	62,442	61,723	1,012,428	10.3%	61,484	29,147	22,705	7,357
Banking and Business Services											0	0	0	12,720	9,736	15,949	44,916	13,190	96,511	1.0%	58,531	23,808	12,188	22,000
Urban Planning & Management											0	0	0	3,926	935	1,956	4,470	5,674	16,962	0.2%	3,897	200	0	1,000
Information and Communications	860	1,350	2,086	3,936	22,344	16,761	11,010	5,560	677	1,239	1,516	1,172	1,207	857	9,914	26,313	7,174	26,626	140,602	1.4%	2,765	1,520	115	
Energy, Power & Electricity	1,057	7,498	23,702	38,972	13,772	17,335	30,893	28,789	21,364	5,705	6,322	20,270	12,871	15,632	13,736	12,744	32,834	30,627	334,125	3.4%	61,746	46,088	13,786	1,000
Transportation	8,682	45,126	57,743	78,299	60,249	37,236	47,072	33,935	47,140	59,712	78,081	65,607	81,959	73,855	54,828	97,427	142,962	171,962	1,241,874	12.7%	177,907	150,713	127,197	67,035
Water and Sanitation	2,359	220	0	0	0	164	141	4	15	1	15,050	22,906	4,882	24,494	18,237	17,215	19,325	21,518	146,531	1.5%	31,238	34,002	10,997	4,100
Community and Social Welfare	5,571	15,802	27,095	41,147	20,828	18,833	33,106	24,747	36,419	69,615	64,133	81,024	43,748	35,324	38,531	56,917	49,216	53,234	715,290	7.3%	26,154	13,807	7,822	5,070
Culture & Arts	141,058	53,676	41,602	28,077	12,299	15,829	9,785	47,242	66,915	40,098	14,203	15,937	18,425	4,795	14,114	7,272	10,098	8,631	550,056	5.6%	8,757	6,353	3,185	176
Environment & Conservation	315	1,236	1,541	1,072	3,349	5,844	3,469	2,842	2,133	979	15,279	18,181	19,586	12,308	14,587	8,324	7,624	12,855	131,524	1.3%	11,088	8,076	3,519	
Gender														2,591	3,850	5,693	5,747	6,081	23,962	0.2%	8,110	1,665	294	28
HIV/AIDS														25,358	35,381	41,968	51,304	44,956	198,968	2.0%	60,463	27,861	1,516	2
Governance & Administration	6,625	68,510	101,489	147,432	161,367	97,462	95,478	60,659	72,396	84,625	100,971	58,441	46,838	67,347	96,827	107,957	120,098	109,557	1,604,079	16.4%	141,249	73,508	49,599	32,470
Tourism														1,242	2,505	2,946	4,911	5,827	17,430	0.2%	2,779	777		
Budget & BoP Support														11,097		35,953	22,433	19,906	89,389	0.9%	28,121	26,145	23,659	
Emergency & Food Aid														3,038	383	1,890	2,634	4,212	12,159	0.1%	1,481			
Other											10,336	22,450	43,889	42,002	13,395	9,159	38,932	24,813	204,975	2.1%	23,504	28,485	28,077	17,947
<b>Total Disbursements</b>	<b>250,183</b>	<b>321,891</b>	<b>358,045</b>	<b>513,320</b>	<b>518,082</b>	<b>383,188</b>	<b>433,280</b>	<b>399,710</b>	<b>466,813</b>	<b>471,842</b>	<b>530,923</b>	<b>539,507</b>	<b>555,392</b>	<b>609,953</b>	<b>713,241</b>	<b>777,463</b>	<b>955,624</b>	<b>989,460</b>	<b>9,787,918</b>	<b>100%</b>	<b>1,085,920</b>	<b>744,746</b>	<b>488,144</b>	<b>230,844</b>

Note. Projections for 2011 – 2013 are limited to committed funds for on-going and confirmed pipeline projects (data extracted on 24 March 2010).

### 3.6 DISBURSEMENTS TO GOVERNMENT & NON-GOVERNMENT SECTOR 2007 – 2010 (USD MILLIONS)

Development partner	2007					2008					2009 (estimated)					2010 (projected)				
	Government Sector	Non Government Sector			Total	Government Sector	Non Government Sector			Total	Government Sector	Non Government Sector			Total	Government Sector	Non Government Sector			Total
		Donor	NGOs	Other			Donor	NGOs	Other			Donor	NGOs	Other			Donor	NGOs	Other	
United Nations (core)	52.5	3.4	2.0	0.4	58.3	60.6	4.9	2.6	0.2	68.3	63.8	6.8	4.0	0.2	74.8	82.3	9.5	3.9	0.1	95.8
ADB	69.3	0.1			69.4	145.6		0.1		145.7	89.4		0.1		89.5	124.2	0.2		0.1	124.5
World Bank	46.7		0.8		47.5	42.5		1.5		44.0	58.3		1.3	0.8	60.4	120.8		1.4	0.5	122.7
IMF	0.9				0.9															
Global Fund	21.1				21.1	38.6				38.6	47.9				47.9	41.2				41.2
Belgium	7.1				7.1	2.8				2.8	3.1				3.1	1.2				1.2
Denmark	0.0			9.8	9.8	0.4			9.7	10.1	1.9			12.3	14.2	4.6			11.8	16.4
Finland	1.8	0.7	0.7	2.0	5.2	3.4	0.2	0.6	2.4	6.6	3.6		0.5	2.2	6.3	1.4			0.2	1.6
France	13.7	3.6	2.0	2.4	21.7	19.7	3.7	2.7	5.2	31.3	18.0	2.7	1.0	3.8	25.5	17.3	2.9	0.6	6.0	26.7
Germany	18.4	0.9		1.5	20.7	17.3	1.0		18.2	36.5	21.0			11.5	32.5	48.3			11.9	60.2
Netherlands			0.1		0.1		0.6		1.6	2.2		0.5		0.2	0.7		1.1		0.1	1.2
Spain	1.1		1.8	0.7	3.5	1.9		3.0	1.6	6.5	2.2		2.5	12.0	16.8	3.7		1.4	17.8	22.9
Sweden	14.3	0.0	1.8	1.2	17.3	12.6		1.7	1.5	15.9	19.8		1.6	1.4	22.9	20.3	2.5	0.9	2.9	26.7
UK	1.0	19.8	2.4	0.4	23.7	4.1	23.3	1.3	0.8	29.6	2.5	28.4	0.5	1.1	32.5	6.8	23.6	0.5	0.7	31.6
EU/EC	20.0	11.6	11.1	1.3	44.0	14.6	12.9	15.7	4.0	47.2	14.6	13.3	17.1	5.3	50.3	21.3	12.6	16.0	7.9	57.8
Australia	7.9	11.7	8.2	1.8	29.6	12.2	9.2	7.3	2.6	31.2	11.9	5.2	4.6	2.0	23.7	20.3	6.6	3.8	5.6	36.3
Canada	2.3	5.8	2.0	2.4	12.6	3.9	8.0	2.0	3.3	17.2	2.2	7.2	1.7	2.1	13.1	2.4	2.4	0.8	2.3	7.9
China	92.4	0.0			92.4	95.4				95.4	111.8	2.9			114.7	100.2				100.2
Japan	111.8	1.3	4.1		117.2	121.3	2.0	3.0		126.2	141.4	3.7	3.4		148.4	100.7		4.0		104.7
New Zealand	2.9	1.2	0.3		4.5	1.7	1.0	0.2		2.8	1.5	1.2			2.7	1.7	1.6			3.3
Republic of Korea	31.2	0.0			31.3	32.5		0.5		33.0	46.1		0.4		46.5	26.5				26.5
Switzerland	0.2		0.2	3.2	3.6	0.8		0.1	3.0	3.9				2.8	2.8				2.8	2.8
USA			58.1		58.1			55.7		55.7			56.9		56.9			61.2		61.2
<b>Total</b>	<b>516.6</b>	<b>60.2</b>	<b>95.7</b>	<b>27.2</b>	<b>699.7</b>	<b>632.0</b>	<b>66.8</b>	<b>97.8</b>	<b>54.1</b>	<b>850.7</b>	<b>660.8</b>	<b>71.8</b>	<b>95.8</b>	<b>57.8</b>	<b>886.2</b>	<b>745.2</b>	<b>63.0</b>	<b>94.6</b>	<b>70.6</b>	<b>973.5</b>
NGOs (core funds)			77.7		77.7			104.9		104.9			103.3		103.3			112.4		112.4
<b>Total Disbursement</b>	<b>516.6</b>	<b>60.2</b>	<b>173.4</b>	<b>27.2</b>	<b>777.5</b>	<b>632.0</b>	<b>66.8</b>	<b>202.7</b>	<b>54.1</b>	<b>955.6</b>	<b>660.8</b>	<b>71.8</b>	<b>199.0</b>	<b>57.8</b>	<b>989.5</b>	<b>745.2</b>	<b>63.0</b>	<b>207.0</b>	<b>70.6</b>	<b>1,085.9</b>

Note that these figures for support to from development partners to NGOs differ from those provided in Table Seven of the main report. This is a result of these data above coming from the ODA Database and the figures in Table Seven from the NGO Database. A reconciliation exercise is on-going.

## DISBURSEMENTS TO PROVINCES 2007-2010\* (USD THOUSANDS)

Province	Development partner (group)	2007	2008	2009	2010*
Banteay Meanchey	United Nations Agencies	1,146	1,077	1,117	1,488
	Int'l Financial Institutions	6,542	12,596	10,045	12,408
	European Union	2,758	2,857	4,927	4,234
	Bilateral	3,715	2,993	3,756	2,039
	NGO	1,730	2,100	2,690	6,864
	<b>TOTAL</b>	<b>15,890</b>	<b>21,622</b>	<b>22,535</b>	<b>27,033</b>
Battambang	United Nations Agencies	921	859	1,349	1,178
	Int'l Financial Institutions	4,265	8,238	6,801	14,191
	European Union	4,596	3,876	4,863	5,333
	Bilateral	7,904	10,975	18,836	8,364
	NGO	3,516	5,978	5,611	7,638
	<b>TOTAL</b>	<b>21,203</b>	<b>29,926</b>	<b>37,459</b>	<b>36,703</b>
Kampong Cham	United Nations Agencies	1,553	2,538	2,513	3,284
	Int'l Financial Institutions	750	620	579	2,501
	European Union	7,094	4,517	4,326	4,074
	Bilateral	7,900	8,349	10,130	11,135
	NGO	4,571	4,681	3,880	5,359
	<b>TOTAL</b>	<b>21,869</b>	<b>20,705</b>	<b>21,429</b>	<b>26,354</b>
Kampong Chhnang	United Nations Agencies	1,528	2,230	2,193	2,790
	Int'l Financial Institutions	1,691	3,823	4,079	5,272
	European Union	2,060	1,278	1,613	824
	Bilateral	1,660	7,743	10,759	11,453
	NGO	1,843	3,449	3,988	6,293
	<b>TOTAL</b>	<b>8,782</b>	<b>18,523</b>	<b>22,631</b>	<b>26,632</b>
Kampong Speu	United Nations Agencies	2,717	2,528	2,593	3,380
	Int'l Financial Institutions	471	2,098	1,401	2,999
	European Union	4,115	3,160	4,378	3,567
	Bilateral	1,205	915	1,006	921
	NGO	1,652	2,769	2,648	5,312
	<b>TOTAL</b>	<b>10,159</b>	<b>11,471</b>	<b>12,025</b>	<b>16,180</b>
Kampong Thom	United Nations Agencies	2,725	3,143	3,738	4,284
	Int'l Financial Institutions	4,367	5,880	4,330	8,106
	European Union	5,482	4,221	6,206	6,181
	Bilateral	2,257	3,739	18,522	21,438
	NGO	1,754	3,664	3,600	3,368
	<b>TOTAL</b>	<b>16,585</b>	<b>20,647</b>	<b>36,395</b>	<b>43,377</b>
Kampot	United Nations Agencies	769	273	772	528
	Int'l Financial Institutions	1,992	6,472	5,070	10,414
	European Union	2,552	2,223	2,118	17,278
	Bilateral	7,880	8,952	4,881	11,715
	NGO	517	897	904	2,545
	<b>TOTAL</b>	<b>13,710</b>	<b>18,817</b>	<b>13,745</b>	<b>42,481</b>
Kandal	United Nations Agencies	600	508	528	660
	Int'l Financial Institutions	1,001	5,103	3,220	4,795
	European Union	871	1,285	963	791
	Bilateral	48,639	65,400	25,862	34,790
	NGO	2,666	5,632	6,390	4,856
	<b>TOTAL</b>	<b>53,776</b>	<b>77,928</b>	<b>36,963</b>	<b>45,892</b>
Koh Kong	United Nations Agencies	126	170	248	486
	Int'l Financial Institutions	136	227	68	92
	European Union	1,507	1,508	1,306	1,524
	Bilateral	1,050	276	549	215
	NGO	1,576	950	1,912	2,624
	<b>TOTAL</b>	<b>4,395</b>	<b>3,131</b>	<b>4,083</b>	<b>4,940</b>
Kratie	United Nations Agencies	262	704	761	1,666
	Int'l Financial Institutions	255	746	285	1,621
	European Union	2,666	2,770	2,825	2,574
	Bilateral	8,260	7,200	11,397	4,926
	NGO	908	978	1,344	2,954
	<b>TOTAL</b>	<b>12,352</b>	<b>12,398</b>	<b>16,612</b>	<b>13,741</b>
Mondulkiri	United Nations Agencies	214	303	509	722
	Int'l Financial Institutions	136	228	48	0
	European Union	1,295	1,772	2,059	2,746
	Bilateral	11,727	15,710	21,465	14,326
	NGO	433	648	1,352	1,301
	<b>TOTAL</b>	<b>13,806</b>	<b>18,659</b>	<b>25,433</b>	<b>19,095</b>
Phnom Penh	United Nations Agencies	3,365	3,029	4,423	4,037
	Int'l Financial Institutions	1,590	4,302	3,879	4,874
	European Union	6,579	12,534	10,164	10,202
	Bilateral	35,228	26,513	25,073	24,773
	NGO	22,339	28,651	27,556	16,050
	<b>TOTAL</b>	<b>69,101</b>	<b>75,030</b>	<b>71,095</b>	<b>59,935</b>
Preah Vihear	United Nations Agencies	315	1,323	1,738	3,089
	Int'l Financial Institutions	647	509	261	1,914
	European Union	1,321	1,638	3,796	2,176
	Bilateral	1,640	3,083	17,147	18,368
	NGO	880	2,224	2,201	2,134
	<b>TOTAL</b>	<b>4,803</b>	<b>8,776</b>	<b>25,143</b>	<b>27,680</b>
Prey Veng	United Nations Agencies	4,615	5,633	5,206	6,503
	Int'l Financial Institutions	391	253	35	1,212
	European Union	2,258	1,616	3,105	2,465
	Bilateral	8,348	16,416	6,985	8,626
	NGO	1,707	1,701	1,580	4,325
	<b>TOTAL</b>	<b>17,319</b>	<b>25,619</b>	<b>16,912</b>	<b>23,131</b>

Province	Development partner (group)	2007	2008	2009	2010*
Pursat	United Nations Agencies	436	1,621	1,906	2,129
	Int'l Financial Institutions	2,143	4,571	4,988	8,311
	European Union	2,356	1,937	3,250	2,357
	Bilateral	1,899	2,492	2,185	2,401
	NGO	1,173	1,165	1,424	3,903
	<b>TOTAL</b>	<b>8,007</b>	<b>11,787</b>	<b>13,752</b>	<b>19,101</b>
Ratanak Kiri	United Nations Agencies	266	737	957	1,794
	Int'l Financial Institutions	742	1,108	1,080	318
	European Union	2,033	2,683	3,720	3,728
	Bilateral	760	683	8,212	10,005
	NGO	404	832	659	2,330
	<b>TOTAL</b>	<b>4,204</b>	<b>6,042</b>	<b>14,628</b>	<b>18,175</b>
Siem Reap	United Nations Agencies	2,685	5,269	6,294	7,309
	Int'l Financial Institutions	6,284	9,593	10,990	14,158
	European Union	9,299	7,796	12,757	15,667
	Bilateral	4,788	7,708	4,685	7,392
	NGO	20,187	24,998	21,386	14,077
	<b>TOTAL</b>	<b>43,244</b>	<b>55,365</b>	<b>56,112</b>	<b>58,604</b>
Preah Sihanouk	United Nations Agencies	110	242	303	538
	Int'l Financial Institutions	632	2,732	1,686	9,509
	European Union	1,758	1,667	1,387	1,518
	Bilateral	37,023	16,864	28,823	28,843
	NGO	2,061	3,784	4,052	3,238
	<b>TOTAL</b>	<b>41,583</b>	<b>25,289</b>	<b>36,251</b>	<b>43,647</b>
Stung Treng	United Nations Agencies	544	930	951	1,272
	Int'l Financial Institutions	863	1,278	1,536	569
	European Union	2,831	2,456	2,760	2,678
	Bilateral	1,875	292	7,769	9,612
	NGO	598	883	863	1,814
	<b>TOTAL</b>	<b>6,712</b>	<b>5,838</b>	<b>13,878</b>	<b>15,945</b>
Svay Rieng	United Nations Agencies	3,178	2,644	2,307	2,966
	Int'l Financial Institutions	819	253	35	1,205
	European Union	1,272	984	1,828	1,251
	Bilateral	1,286	1,296	1,317	1,074
	NGO	921	912	1,123	4,577
	<b>TOTAL</b>	<b>7,476</b>	<b>6,090</b>	<b>6,610</b>	<b>11,073</b>
Takeo	United Nations Agencies	733	1,164	1,022	1,246
	Int'l Financial Institutions	1,689	6,289	4,431	5,802
	European Union	1,258	1,092	3,024	5,069
	Bilateral	1,604	1,812	2,167	4,945
	NGO	3,435	5,274	4,463	4,666
	<b>TOTAL</b>	<b>8,720</b>	<b>15,631</b>	<b>15,107</b>	<b>21,727</b>
Otdar Meanchey	United Nations Agencies	845	1,156	1,206	1,517
	Int'l Financial Institutions	4,737	7,583	5,711	5,281
	European Union	3,155	2,081	3,935	2,645
	Bilateral	921	263	457	253
	NGO	651	1,124	1,542	2,645
	<b>TOTAL</b>	<b>10,308</b>	<b>12,207</b>	<b>12,851</b>	<b>12,341</b>
Kep	United Nations Agencies	4	42	47	115
	Int'l Financial Institutions	342	253	18	635
	European Union	951	825	1,095	1,132
	Bilateral	285	0	0	0
	NGO	356	210	162	687
	<b>TOTAL</b>	<b>1,938</b>	<b>1,330</b>	<b>1,322</b>	<b>2,570</b>
Pailin	United Nations Agencies	126	221	262	313
	Int'l Financial Institutions	608	680	131	635
	European Union	326	56	300	357
	Bilateral	1,895	4,222	9,184	3,758
	NGO	134	289	200	2,242
	<b>TOTAL</b>	<b>3,089</b>	<b>5,469</b>	<b>10,078</b>	<b>7,306</b>
Nationwide	United Nations Agencies	28,540	29,932	31,875	42,537
	Int'l Financial Institutions	74,655	104,259	79,148	129,901
	European Union	81,912	120,831	115,165	130,438
	Bilateral	116,128	118,769	129,402	60,755
	NGO	1,724	825	1,456	580
	Others	21,067	38,601	47,883	41,183
<b>TOTAL</b>	<b>324,026</b>	<b>413,218</b>	<b>404,929</b>	<b>405,394</b>	
Unknown	United Nations Agencies				
	Int'l Financial Institutions	0	0	0	450
	European Union	932	963	2,928	15,468
	Bilateral	33,474	32,845	38,257	40,905
	NGO		297	295	40
	<b>TOTAL</b>	<b>34,406</b>	<b>34,105</b>	<b>41,480</b>	<b>56,864</b>
<b>GRAND TOTAL</b>	<b>United Nations Agencies</b>	<b>58,324</b>	<b>68,276</b>	<b>74,818</b>	<b>95,830</b>
	<b>Int'l Financial Institutions</b>	<b>117,751</b>	<b>189,696</b>	<b>149,856</b>	<b>247,175</b>
	<b>European Union</b>	<b>153,235</b>	<b>188,626</b>	<b>204,796</b>	<b>246,277</b>
	<b>Bilateral</b>	<b>349,350</b>	<b>365,511</b>	<b>408,826</b>	<b>343,031</b>
	<b>NGO</b>	<b>77,736</b>	<b>104,915</b>	<b>103,282</b>	<b>112,424</b>
	<b>Others</b>	<b>21,067</b>	<b>38,601</b>	<b>47,883</b>	<b>41,183</b>
<b>TOTAL</b>	<b>777,463</b>	<b>955,624</b>	<b>989,460</b>	<b>1,085,920</b>	

\* denotes projected figure

## ANNEX FOUR

### SECTOR AND SUB-SECTOR CLASSIFICATIONS

Sector / Sub-sector	
<b>Social Sectors</b>	
<b>Health</b>	<b>Education</b>
Hospitals	Primary/Basic
Immunisation & Disease Control	School and Facilities
Medical Education	Secondary Education
Medicines & Equipment	Sector Policy
Primary Health	SWAp
Reproductive Health	Teacher Training
Sector Policy	Tertiary, Vocational and Higher
SWiM	
<b>Economic Sectors</b>	
<b>Agriculture</b>	<b>Manufacturing, Mining &amp; Trade</b>
Agriculture financial services	Industrial Development
Agriculture inputs	Mining, Fossil Fuel
Agriculture sector policy and management	Policy and Administration
Agriculture Water & Irrigation	SME Policy and Development
Cash and Export Crops	Technological Research
Education, Training	Trade Policy, Negotiation
Extension Services	
Fisheries	<b>Rural Development</b>
Food Crops	Land Management and Planning
Food Security, Nutrition	Land Mine Clear
Forestry	Rural Roads
Livestock & Veterinary	Rural Sector Policy and Administration
Meteorology	Rural Water & Sanitation
Post-harvest	
	<b>Banking and Business Services</b>
	Business Support Services
<b>Urban Plan &amp; Management</b>	Financial Sector Policy, Planning & Regulation
Land Management and Spatial Planning	Formal sector financial institutions
Urban Sector Policy and Administration	Informal sector financial institutions
<b>Infrastructure</b>	
<b>Transportation</b>	<b>Water and Sanitation</b>
Air Infrastructure & Transport	Education and Training
Rail Infrastructure & Transport	River Development
Road Infrastructure & Transport	Sector Policy and Planning
Transport Policy and Management	Waste Management
Water Infrastructure (port)	Urban Water Supply and Sanitation
<b>Energy, Power and Electricity</b>	<b>Information and Communications</b>
Energy Research	ICT
Energy Policy and Management	Post & Telecommunications
Power Generation	Radio / Television / Print Media
Power Transmission	
<b>Services &amp; Cross-Sectoral Programme</b>	
<b>Community and Social Welfare</b>	<b>Governance &amp; Administration</b>
<b>Culture &amp; Arts</b>	Economic & Development Policy/Planning
<b>Environment and Conservation</b>	Elections
<b>Gender</b>	Human Rights
<b>HIV/AIDS</b>	Legal and Judicial
<b>Tourism</b>	Decentralisation & Deconcentration
<b>Budget &amp; Balance of Payments Support</b>	Public Financial Management
<b>Emergency and food aid</b>	Public Administration Reform
	Civil Society

## ANNEX FIVE

### Joint Monitoring Indicators (JMIs) Report on Progress since the Second CDCF, December 2008

#### ***Introduction and Overview***

This report documents progress that has been made and challenges encountered in the implementation of the Joint Monitoring Indicators (JMIs) that were endorsed by the Royal Government and development partners at the second meeting of the Cambodia Development Cooperation Forum (CDCF) on 4-5 December 2008. Preparation of this progress report is based on the inputs provided by TWGs to CRDB/CDC during March 2010 and the reports submitted by TWGs to GDCC meetings during 2009.

#### ***JMI 1: Implement MPSP with coordinated EDP support***

##### a) 2009 AOP and an institutional capacity assessment for MOP

A 2009 Annual Operational Plan (AOP) was prepared by the Ministry of Planning (MOP) in March 2009. An institutional capacity assessment of the General Directorate of Planning (GDP) of MOP was also carried out (with support from the UNDP) in that year. No further steps have been agreed to develop a capacity development strategy for MOP/GDP. Implementation of the AOP however has been hampered by limited resources. MOP voiced its concern in early 2009 over funding commitment or availability to implement the AOP. In September 2009, it reported that implementation of a capacity development plan was not proving straightforward. Resourcing was one of the main reasons and as of now no action has been taken. The resource issue was discussed in the PPR TWG and raised at the GDCC meetings in 2009. This has implications for the implementation of the MPSP.

##### b) Increased and better coordinated DP support to MPSP implementation

There has been limited support for GDP/MOP to implement the 2009 operational plan to implement the MPSP. Discussions are now underway with the World Bank to secure assistance from DFID Trust Fund managed by the World Bank. MOP has also indicated a support program for the implementation of the MPSP will be formulated using a program approach.

#### ***JMI 2: National aid effectiveness priorities are implemented and monitored in the context of a partnership-based approach to the NSDP***

##### a) An Aid Effectiveness Joint Monitoring Indicator

Recognizing the need for accelerated implementation of aid effectiveness commitments, together with the need to prioritize and focus on actions that would impact positively on development results, a Joint Monitoring Indicator (JMI) on aid effectiveness was agreed, in the context of a partnership-based approach to the NSDP. Endorsed by the GDCC meeting in April 2009, implementation has been carried forward by RGC ministries and agencies working with development partners in the respective TWGs. The results of TWG activity are reported in the Chapter 3 section on 'Managing for Development Results'.

#### ***JMI 3: Increase promotion rate of students in primary education from 78.6% in SY2006-07 to 84% in SY 2008-09***

##### a) Increasing the primary promotion rate

The target of 84% was not met but it increased from 78.6% in SY2006-07 to 82.8% in SY2008-09, an increase of 4.2 percentage points. In some provinces the revised primary promotion regulation has not been widely disseminated to public primary schools (see below). MoEYS and the development partners will maintain effort to implement priority actions to achieve the targets in the coming years.

##### b) Reducing incomplete schools and teacher deployment to remote area

The percentage of primary incomplete schools has been reduced from 21% to 18% as targeted. The Ministry of Education, Youth and Sports (MoEYS) has also implemented the policy of deploying 95% of newly trained teachers to under-staffed schools and in remote areas.

##### c) Revising grade promotion regulation

Regulation on grade promotion was revised and issued by MoEYS in March 2009. Those students, from grade 1 to 6, who have scores below 5/10 will be given a chance to re-take the examination. In addition, results of standardized tests for grade 3 and 6 are also used for grade promotion decision.

#### ***JMI 4: Increase the proportion of deliveries attended by skilled health personnel in the public sector to 50% by December 2009***

At the JAPR 2009, it was reported that proportion of deliveries attended by skilled health personnel in the public sector had reach 58% in 2008. The target for 2009 (previously set at 50%) thus has been subsequently revised to 65%.

a) Recruitment and deployment of midwives

279 midwives (45 secondary midwives and 234 primary midwives) have been recruited and 258 of them deployed to the health centers in 2009. As of this time, there is at least one midwife in each health center.

b) Incentives for midwives

Apparently, incentives for midwives resulted in substantial increase in the proportion of deliveries attended by skilled health personnel.

c) Increased government and health partner funds to RMNCH

Budget for AOP has increased during the last three years from \$ 200 million in 2008 to \$ 285.25 million for 2010. Details are shown in the table below (all figures in USD million):

Year	AOP	RMNCHC	
		RGC	DPs
2008	200.0	1.92	5.93
2009	232.6	2.82	20.89
2010	285.5	5.92	18.75

**JMI 5: Enhanced national response to HIV/AIDS epidemic**

a) Increased percentage of HIV-positive women who receive anti-retroviral treatment

The percentage of HIV infected pregnant women who received a complete course of anti-retroviral prophylaxis to reduce the risk of mother to child transmission was 32.3% in 2009, well below the 40% target. Challenges including limited resources, human skills and facilities were reported to have contributed to the target not being achieved. These must be addressed so that the scaling up is responsive to need. In a report in June 2009, there were 167 PMTCT services established in 67 Operational Districts (159 in 2008). Of these, however, only 88 have a full package of services that include ANC, HIV testing and counseling, and ARV prophylaxis for PMTCT for HIV positive mothers and children. HIV/AIDS TWG indicated the need to mobilize funds and build up capacity of the PMTCT staff at all levels to respond to the scaling up of the services.

**JMI 6: A coherent and well-coordinated approach to mitigate the impacts of high food prices on household food security, and priority actions are implemented and regularly updated**

a) An integrated monitoring system for high food price impact follow-up

Cambodia Anthropometric Survey was conducted in November 2008 by the Ministry of Planning in collaboration with UNICEF and UNDP to assess the impact of high food prices and the financial crisis on health and nutrition of Cambodian women and children. In addition, a survey on the impact of the Global Economic Downturn on Cambodia's Economy and People was conducted by UNDP although the report has not been officially released.

A Food Security and Nutrition Information Management Task Force was endorsed by the FSN TWG to design and implement an information management system related to food security and nutrition (FSN). The Task Force supports further development of FSN related information network in Cambodia and enhances coordination and cooperation of stakeholders with the aim of achieving synergies between various initiatives based in different government structures and supported by various donor agencies. Therefore FSN TWG will ensure that actions defined in the Task Force terms of reference are carried out.

**JMI 7: Progressive implementation of the Strategy for Agriculture and Water**

a) Completion and harmonisation of SAW programs

The harmonized Strategy on Agriculture and Water programs have been finalized and endorsed by the co-chairs of the Agriculture and Water TWG. They have been submitted for approval by the two relevant ministries.

b) Common framework and mechanism for SAW implementation

A common framework and mechanism for implementing the harmonized SAW programs is under consideration at this stage pending approval of the SAW programs by the two relevant ministries. The framework would cover program management and implementation, public financial reform, administrative reform, public investment program, sub-national consultation, and government and development partner fund commitment.

**JMI 8: Implement the legal framework established by the Land Law**

a) Indigenous communal land

Developments of Policy and Legal Framework – the Policy on Land Registration and Land Use Rights of Indigenous Communities was adopted on April 24, 2009. Sub-Decree No.83 on the Procedures of Indigenous Land Registration was successfully adopted on June 09, 2009. These two documents are of importance for an effective implementation of rights to land of indigenous peoples guaranteed under the Land Law. More importantly, these documents were made with transparency based on democratic principles with the participation of all relevant stakeholders, especially the indigenous peoples.

Implementation of Indigenous Land Registration Pilot Projects - the implementation of indigenous land registration project has been done in 3 villages: Laen Kraen Village, La'In Village (Rattanakiri Province), and Andong

Kraloeng Village (Mondulkiri Province). Budget for implementing these indigenous land registration pilot projects has been supported by GTZ. Equipment and necessary tools (such as GPS, computers, plotters, motorbikes, etc.) have been supplied by development partners. A step-by-step implementing plan toward indigenous land registration in the 3 communities was developed and is being implemented to date (in Rattanakiri Province, demarcation process is on-going; in Mondulkiri Province, communal demarcation is completed and is being measured). Generally, the implementation of pilot projects of indigenous land registration in the above 3 villages is underway as planned, and further implementation is on-going toward land registration and issuance of titles to communities.

#### b) Land tenure

Development of the National Housing Policy - the Ministry of Land Management, Urban Planning and Construction (MLMUPC) has established a working group responsible for the development of a housing policy in cooperation with the Secretariat of the Council for Land Policy (CLP). In early and mid 2009, with support from GTZ, CLP and the working group, consultations were held with relevant ministries/agencies including civil society, Phnom Penh Municipality, and private property developers (private sector) to gather main concepts to be bound and incorporated into the national housing policy. By December 2009, CLP in collaboration with the housing policy working group successfully completed the first draft on housing policy and in January 2010 the draft was shared for discussions with international experts, and internal consultative meeting with the 4 technical general departments of MLMUPC. The next Step is to submit the draft to relevant ministries/agencies, development partners, and civil society to get further constructive comments before submission for CLP's approval meeting.

#### c) Land management

Development of Spatial Planning Policy – In December 2008, under the support from GTZ, CLP organized a workshop with the participation of spatial technical experts and the General Department of Land Management and Urban Planning to seek an agreement on concepts in order to reach a stage of preparing the draft on spatial planning policy. By early 2009, CLP in cooperation with the General Department of Land Management and Geography of MLMUPC completed the first draft, which went through internal consultations within MLMUPC, especially within the technical general departments. In early October 2009 the draft was put for discussion CLP members and in February 2010 a consultation workshop with all relevant ministries/agencies, development partners, and civil society was organized. The next step is to prepare a draft for the CLP before submission to the Council of Ministers for approval

***JMI 9: With the aim of stopping the loss of Cambodia's forest resources responding to CMDG and Rectangular Strategy to support Sustainable Forest Management for rural poverty reduction and climate change mitigation. The legal frameworks established by the Forestry Law, Protected Area Law, Land Law, Mining Law, and in particular the Sub-Decree on Economic Land Concessions must be fully implemented at all levels of Government agencies, whilst prioritizing the finalization of National Forest Program and Community Forestry development***

#### a) Establishing and making public the logbook of ELCs, mining concessions and other concessions

The Ministry of Agriculture, Forestry and Fisheries (MAFF) granted ELCs with total land area of 992,800 ha to 87 companies with registration in logbook. Information on 72 ELCs is publicized at the website [www.elc.maff.gov.kh](http://www.elc.maff.gov.kh) and others will be regularly updated. The Ministry of Industry, Mines and Energy (MIME) granted 100 exploration licenses to 67 companies but only a few companies are conducting feasibility studies. The Ministry of Environment (MoE) granted land for investment development of 348,656 ha to investment companies. Land concession is a challenge to the commitment to maintain 60% of forest cover for the country as set in the NSDP and the Cambodian MDGs.

#### b) Demarcation of forest land boundary

In 2009, the Forestry Administration and its NGO partners have demarcated forest estate boundary of the total length of 228.585 kilometers. The MoE has demarcated and conducted the mapping of the boundary of two protected areas: the Wildlife Sanctuary Samkos and the Kulen Promtep).

#### c) At least 100 community forestry and 10 protected areas officially approved

Four community forestry sites were approved by MAFF and 11 protected areas were established and approved by the MoE. There are challenges however. The MAFF has been slow in the review and approval of the proposed community forestry sites. Currently 175 community forestry sites are being proposed and pending approval from MAFF.

#### d) National Forest Program

The National Forest Program (NFP) was completed in October 2009 and submitted to the MAFF for review before submitted for approval of the Royal Government. Pending approval, development of the 2010 work plan and a 5-year work plan has also been started.

**JMI 10: Take appropriate action to reflect the priorities of the Fisheries sector to improve the livelihoods of rural communities in commune, district and provincial development plans as well as donor funding levels**

**a) Sector wide programmatic support for Fisheries Administration Annual Plan**

DANIDA/DFID/NZAID and Wet Land Alliance program jointly funded the Annual Fisheries Administration (FiA) Action Plan 2009 through programmatic support using common FiA systems, procedures and existing FiA's PIU. They comprised approximately 67% of the total fund for the annual plan. Yet challenges remain. Other development partners still prefer using their own systems and procedures. It needs more time for DP members to gradually come on board by engagement in the sector through TWG coordination. In the near future once the 10-year Strategic Planning Framework in fisheries is endorsed, there would be common procedure and modality to be endorsed by TWGF on how to implement the plan and the role of FiA and DPs in the implementation.

**b) CAMCODE**

Drafting of the CAMCODE has reached its final stage after circulation to development partners and other TWGF's members for comments in late 2009. The document is now under translation and will be submitted to MAFF for consideration in the second quarter of 2010. The slow progress in finalization the Code (the target of CAMCODE being put into operation at the end of 2009) has been because the Strategic Planning Framework of Fisheries during 2009 required more emphasis by the TWGF and the time and efforts in consulting the CAMCODE widely.

**JMI 11: Casualty rate drops by 50 from previous year, and a decrease 7-10% of contaminated mine/ERW land**

From January-December 2009, 243 mine incident victims were recorded, a reduction of only 28 compared to 2008. During 2009, over 52.6 square kilometers have been cleared by four de-mining operators.

**JMI 12: Create an enabling environment for the development of the private sector**

**a) Legal agenda to improve the enabling environment for the private sector**

A list of laws and regulations has been proposed in September 2009 and is being consulted with representatives of the private sector based on Cambodia's WTO commitments. The priority list is expected to be finalized in 2010 in the WTO work program in advance of the planned 2011 Trade Policy Review.

**b) A 3-year rolling plan for trade-related reforms (Trade SWAp)**

Progress has been limited until late 2009, when a Prime Minister Decision (and a subsequent Ministerial Prakas) created the key Trade SWAp institutions (an inter-ministerial Implementation Committee and three working groups for the Trade SWAp's three pillars). Through these groups, a draft roadmap – with a strong monitoring framework – has been prepared for Pillar 1 ("cross-cutting reforms") and will be extended to the other two pillars. However at this stage, there is no proper 3-year rolling plan of trade-related reforms.

Although this process has been behind schedule, a number of implementation enablers have been setup in 2009. The Trade SWAp Secretariat (the Department for International Cooperation of the Ministry of Commerce) has gradually built its capacity and, among other things, has developed a Trade SWAp website and managed a process of formulating the 2010 work program for the Trade SWAp. Harmonized DP support has materialized in the form of a Multi-Donor Trust Fund on Trade Related Assistance, financed by DANIDA, the EC and UNIDO, and administered by the World Bank, and the Enhanced Integrated Framework, a multi-donor global fund managed by the WTO. A broader group of DPs – including UNDP – has agreed to Partnership Principles that will greatly improved coordination, information-sharing, and alignment.

**JMI 13: Sustainability and Safety of National Road Network**

**a) Preservation of road assets**

Improvement of road maintenance mechanism - albeit progressing slowly, there has been progress made with regard to this activity. This includes dissemination of the Road Maintenance Guideline to all relevant departments and its implementation, the implementation of a project on Strengthening of Construction Quality Control which aims at improving the capacity on quality control of force account road and bridge construction, and the selection of a consultant for the Road Assets Management project. Slow progress in the implementation of this activity has mainly been caused by the lengthy procedural requirements of the support projects related procurement, reporting, incentives and the selection of consultants.

Improvement of overload control program - regulations have been put in place to control overload activities such as the Sub-decree on National Overload Control Committee; Prakas on limit of maximum of vehicles operating on national roads; Operation Manual for Permanent Weight Station and Internal Regulation on Permanent Weight Station; dissemination activities; and the establishment of seven weight stations across the countries. Limited staff and lack of properly trained staff have been key challenges.

**b) Road safety awareness**

Preparation of the National Road Safety Week is now in progress by the National Road Safety Committee (NRSC). Technical and Financial support for the NRSC is critical for the successful implementation of the activity.

***JMI 14: Increase use of improved sanitation, hygiene and drinking water supply, especially in rural areas***

***a) A rural water supply and sanitation (RWSS) strategy***

Under the leadership of Ministry of Rural Development (MRD), development partners are providing harmonized support to develop a joint national rural water supply, sanitation and hygiene strategy. Due to the resignation of the first Consultant in May 2009, a new Consultant was recruited and started assignment in September 2009. A number of studies to input into the Strategy have been conducted:

- Sector gender analysis (completed).
- MRD functional analysis (completed).
- Sector financing strategy (on-going).
- Sanitation financing strategy (on-going).
- Roles and Responsibilities and capacity of Sector agencies (on-going).

Investment in the sector has received a boost with the start of the MEF/MRD RWSSH project funded with IMF debt reduction funds, and a second ADB funded project is under negotiation.

***b) Water supply services***

The General Population Census 2008 which was released in 2009 shows a significant increase of rural sanitation coverage to 23% from 8.6% in 1998. It appears that the target of 30% coverage of sanitation in 2015 can be reached if the current efforts can be maintained and strengthened. For water, Census 2008 shows a coverage of 42% of rural access to improved source of drinking water. These figures are lower than that of CDHS 2005 (53.7%) and CSES 2007 (67%). These differences are due to the use of different definitions of improved source of drinking water in different surveys. MRD has initiated discussions with NIS to address this issue starting with a workshop on the WHO/UNICEF JMP (Joint Monitoring Programme) in June 2009 hosted by NIS.

Growing investment makes it increasingly clear that a national strategy, addressing targeting, financing, planning, definitions and other subjects is very much needed. The current strategy development work is already providing important opportunities and lessons in communication, planning, data collection and analysis, the setting of priorities and addressing challenges. Once completed and approved, the strategy will go a long way to address questions of financing and subsidies, making sanitation affordable for the poorest and socially excluded groups, access to resources and control of services, low cost sanitation, water supply technologies, and sanitation in schools and other public places. Larger questions remain to be addressed, including sector planning and programmatic approaches; devolving of tasks and responsibilities following the decentralized development process currently underway.

***JMI 15: Improving the quality and delivery of public services***

***a) Deployment of performance and accountability instruments***

PMGs and MBPIs were terminated as of December 31, 2009. SOAs continue to be deployed to enhance the quality and delivery of public services. The Ministry of Health is using the instrument extensively at the level of reference hospital and health centers. Other ministries or institutions are actively investigating the use of the instrument in the areas of training, laboratories and the provision of specialized services.

***b) Policies on HRM, HRD, Deployment and Capacity Development***

Draft policies on HRM, HRD and Capacity Development have been finalized and are ready for approval. The CAR was mandated to review processes for recruitment, promotion and retirement in order to strengthen them significantly. These reviews are underway and will be completed shortly. Approval of the policies will be sought following decisions on the reviews underway. An HRM implementation manual and handbook are being prepared for circulation once the policy is approved. Work is proceeding to draft the policy on re-deployment and should be completed in June 2010. The major challenge concerning these policies is to reach a broadly based consensus among ministries, institutions and development partners.

***JMI 16: Establish a well functioning, transparent and accountable legal and judicial system that protects individual rights as defined in the Constitution***

***a) LJRS Strategic Objective 2***

The Penal Code was promulgated. Law on the Statute of Judges, Law on Court Organization and Law on the Amendment of the Law on the Organization and Functioning of the Magistracy were finalized by special groups in the Office of the Council of Ministers.

***b) Implementation of the framework for legal and judicial reform***

Pilot registers – these have been conducted in Kandal and Siem Reap courts. The process has been revised to cope with the current state of court administration. A plan has been established to roll out the register to Phnom Penh, Kompong Cham and Banteay Mean Chey courts.

Training of judicial professionals – this has been developed to improve the supply of judicial services and the functioning of the courts. Recruitment of judges and prosecutors has been conducted every year, instead of every two years in order to speed-up the reaching of the target identified by the Ministry of Justice. Training of court

clerks has been increased to fill the vacant court clerk positions in courts. Training of bailiffs and notaries has started.

Despite progress, challenges in the implementation of the JMI remain, including: financing and resources constraints in the implementation of model court activities; civil service structural constraints (management communication, level of incentives); meeting MEF PFMR formats for budget submission and limited capacity for budget preparation; and policy differences in key areas of the fundamental laws.

### ***JMI 17: Combat corruption***

#### ***a) Draft Anti-Corruption Law***

As of March 2010, the draft Anti-Corruption Law had been approved by the National Assembly and the Senate. Implementation arrangements contained in the law are to be implemented in a manner that is consistent with the Penal Code.

#### ***b) Education and Dissemination Activities***

Education - this included dissemination of anti-corruption concepts to government officials, agents, armed forces and competent authorities at various international border check points; broadcasting of anti-corruption spots on TVK (especially the Prime Minister's Speech on fighting corruption); and publishing and distribution of booklets on corruption to officials, agencies, armed forces and competent authorities at international border-check points.

Corruption complaints - 26 complaints have been received so far which have been processed through legal procedures, including corruption complaints and intervention cases.

Law Enforcement Measures - with a strong commitment to fighting corruptions, Anti-Corruption Unit (ACU) has been: (a) monitoring the trial of the criminal case NO. 2316 dated 14 November 2006 and the criminal case NO. 126 Kr1 dated 14 October 2008, on the sale of illegal goods (right hand steering wheel cars) at the Municipal Court; (b) monitoring the trial of the criminal case NO. 620 dated 26 November 2008 and the criminal case NO. 148 dated 16 March 2009, on the sale of illegal goods (right hand steering wheel cars) at the Appeal Court.

National and International Cooperation - the ACU's leaders and staff attended eleven events overseas, namely meetings, seminars, conferences, and training courses on anti-corruption in order to further strengthen national and international relations and cooperation in combating corruption with ASEAN members and among countries in the Asia-Pacific region. An Agreement was entered into with USAID-PACT Cambodia to organize training courses related anti corruption issues and mechanisms.

### ***JMI 18: Preparations made for the full implementation of the RGC's Strategic Framework for Decentralization and De-concentration (D&D) reforms***

#### ***a) Provincial and district councils***

The Sub-national Council Elections were held on May 17, 2009. As a result, 01 Capital Council, 23 Provincial Councils, 26 Municipality Councils, 159 District Councils and 08 Khan Councils have been in office since June 2009. In additions, legal instruments (sub-decrees and Prakas) have been issued to support the functioning of these councils. Councilors and the Board of Governors of the Sub-National Administration were trained to gain the knowledge on the Organic Law and on the basic principles for sub-national administration. Meanwhile, drafting of the Law on Sub-National Finance, entrusted to a joint working group of MEF and Mol, has been completed and will be discussed before submitted to the NCDD for review.

#### ***b) National program for D&D***

Because of the complexity of the National Program on Sub-Democratic Development (NP-SNDD), consultations with all stakeholders and concerned actors have been undertaken throughout 2009. Two Technical consultations had been conducted to discuss the 5th and 6th version of the drafts with participation of the national and sub-national officials, DPs and CSO representatives (about 300 participants each). Now the drafting has reached its 7th version and finalized with anticipation to submit the final draft to the Meeting of the Council of Ministers in the second quarter of 2010.

### ***JMI 19: Continue implementation of Stage 2 of the PFM Reform Program with the objective of improving accountability for effective financial management***

#### ***a) Improved revenue collection and management, budget formulation and execution process***

Budget credibility has been maintained and robust even under unfavorable economic and financial conditions. Revenue outturn has been achieved within the targeted level in approved budget (95.1%); expenditure commitment is in line with budgets and cash flow forecasts; and expenditure by type (staff costs, non-staff costs etc) is close to approved budget.

b) Improving financial accountability

Establishing and application of clear rules for responsibilities and empowerment of budget managers: defining budget entities and structures; new accountability framework and business process; functional review methodology.

c) FMIS system

The level of understanding and capacity building of concerned officials have been improved; preparation for procurement of FMIS stage 2 has been completed; common business process and procedure for each phase has been identified; strategic document on ICT implementation and change management strategy and communication plan have been prepared and implemented.

d) Implementation of revised chart of accounts

A guideline on economic classification for FMIS has been prepared; economic classification has been improved in particular recording capital accounts payable and receivable; functional, administrative, geographical, source of funds and program classification have been studied; and new chart of accounts has been improved; interim automation has been studied.

e) Full transparency with regard to tax payer obligations and liabilities

Leaflets on VAT, Guideline on taxpayers' rights and obligations, and Guideline on new tax categories were prepared and issued; website for tax information has been developed; tax-self declaration system at provincial tax branches has been implemented; Prakas on determination of annual profit tax for foreign companies issued.

f) Improved transparency in reporting to Parliament and the public

TOFE has been further improved in line with GFS; annual financial law has been prepared in accordance with new budget classification and chart of account; based on Public financial Law, reports on macro-economy and public finance were presented twice to the Parliament; and budget briefs were issued for the public; 2006 Audit report was published.

g) Clear and transparent fiscal relationships between central and locally based public bodies

Draft law on public asset and financial management at the sub-national administration was prepared; participation in elaborating a 10-year program of democratic development at the sub-national level.

h) Clear sanctions in place for inappropriate resource management activity or results

Legal framework on resource managements has been studied; a sub-degree on improving current expenditure process and cash advance of investment expenditure was adopted; the circular on petty cash advance record at LMs, provincial departments has been issued; and accounting record to monitor the petty cash advance and income collection has been prepared.

i) Strong post audit arrangements in place

26 line ministries have established an Internal Audit Department, 18 are operational; 3 state-owned enterprises also established internal audit entities; manual on audit procedure, audit plan of 2009 and 2010, and three year audit plan 2009-2011 are being developed; three year inspection plan (2009-2011) and financial inspection program 2009 were prepared; professional code of conduct for financial inspectors, performance evaluation, and activities of financial inspectors has been drafted, Manual on Financial Inspection procedure reviewed.

j) Minimum capacities established in key line ministries

Capacity building plan stage 2 was developed; Professional development plan was prepared; short course trainings and workshops were conducted for MEF and line ministries; MEF and LMs staff were sent to overseas short courses; 9 students recruited for long term overseas postgraduate study, 4 of whom returned to MEF.

***JMI 20: Adopt laws and sub-decrees and relevant legal documents, and implement plans against all forms of violence and exploitation against women and children, according to international standards***

a) Sub-decree on the administrative decision on domestic violence

Administrative decisions have not been developed. Yet work is underway to develop a legal instrument for further strengthening implementation of the Domestic Violence law at local level (Commune /Sangkhat) by the Ministry of Interior. With regard to protection orders, the Ministry of Justice and MoWA have established a technical working group in order to draft standardized protection order forms for judges, and following this, standardized applications for protection order will be developed.

b) Framework for monitoring enforcement of Law on suppression of human trafficking & sexual exploitation

Significant progress towards the development of a common framework to monitor and strengthen enforcement of the human trafficking law has been made. In September 2009, a Sub-Decree established of the National Committee to lead the suppression of human trafficking, smuggling, labor and sexual exploitation in women and children (National Committee S.T.S.L.S), which was followed by the launch of the National Committee S.T.S.L.S in December 2009. The establishment of one single high level inter-ministerial Government body with the aim to lead the counter-trafficking efforts in all areas of Prevention, Protection, Justice, Law Enforcement, Child Affairs

and International Cooperation is a key milestone in the development of the common framework and has the potential of becoming an effective government body.

c) National Action Plan to combat violence against women

The National Action Plan was revised and has been adopted by the Office of the Council of Ministers. Development partners are committing to the implementation of the NAP and it is informing country programming, including the United Nations Development Assistance Framework (UNDAF) for 2011-2015.

d) Policy and legislation on labor migration

The Inter-Ministerial Taskforce on Migration (IMTM) has convened meetings to discuss migration issues/concerns, migration policy and legislation and other measure to protect women migrant workers. Apart from MOLVT and other relevant ministries including MOWA, the stakeholders included UNIFEM, ILO, IOM, Association of Cambodian Recruiting Agencies, and Trade Unions. A policy review of the labour law has been completed and technical assistance secured from ILO to support a series of consultative meetings to formulate the labour migration policy. There are three focus areas of the Labour Migration Policy: i) the governance of labour migration; ii) the protection and empowerment of migrant workers; and iii) the harnessing of labour migration for economic development and poverty reduction.

